

# Employee Benefits in State and Local Governments, 1990



U.S. Department of Labor  
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*Norman  
Rombard*

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U.S. Department of Labor  
Lynn Martin, Secretary

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# Preface

This bulletin presents results of a survey of the incidence and detailed provisions of selected employee benefit plans in State and local governments in 1990. It is the second such survey by the Bureau of Labor Statistics and provides representative data for 14.5 million employees in the 50 States and the District of Columbia. Appendix A provides a detailed description of the coverage and statistical procedures used in the survey.

The first survey of State and local governments was in 1987. At that time, data were collected for full-time workers in government units employing 50 workers or more in the 48 contiguous States and the District of Columbia. The 1990 survey coverage was expanded to include part-time workers, all governments regardless of size, and Alaska and Hawaii.

Employee Benefits Survey data are also available for private sector workers. The small establishment survey of 1990 provides information on full- and part-time employees in private establishments employing fewer than 100 workers. Results of this survey are available in *Employee Benefits in Small Private Establishments, 1990*, BLS Bulletin 2388. Data for full-time employees in medium and large establishments (those employing 100 workers or more in the 48 contiguous States and the District of Columbia) are available in *Employee Benefits in Medium and Large Firms, 1989*, BLS Bulletin 2363. The 1991 survey of medium and large establishments, currently being conducted, will cover both full- and part-time workers and will include establishments in Alaska and Hawaii. Results of that survey will be available in 1992. In future years, small private establishments and State and local governments will be surveyed in even-numbered years, and medium and large private establishments will be surveyed in odd-numbered years.

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# Chapter 1. Incidence of Employee Benefit Plans

The Bureau's Employee Benefits Survey of 1990 examines benefits for employees of State and local governments. This survey collects information on work schedules and the incidence and detailed characteristics of employee benefits paid for, at least in part, by the employer.<sup>1</sup> Benefits included in the survey are paid lunch and rest periods; holidays, vacations, and personal, funeral, jury-duty, military, parental, and sick leave; sickness and accident, long-term disability, and life insurance; medical, dental, and vision care; and retirement and capital accumulation plans. Because data presented in this bulletin are limited to formal plans, the extent of such benefits as rest periods and personal leave may be understated.<sup>2</sup>

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

The survey collected information on both full-time and part-time employees. They were classified as either full- or part-time in accordance with practices of the surveyed governments. Part-time workers typically are scheduled to work fewer hours per week than full-time workers engaged in the same type of work activity. Data for full-time employees are presented in chapters 1-7; part-time employees are discussed in chapter 8.

<sup>1</sup> 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 such coverage must be fully paid for by an employee or retiree. 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 parental leave plans are tabulated even if there is no employer cost involved, beyond administrative costs.

<sup>2</sup> Data from this survey were first released in an October 31, 1991 news release, USDL 91-549. In a few instances, data in this bulletin differ slightly from those published in the news release. In addition, the reader is cautioned against comparisons of data presented here with the results of the 1987 government survey. Numerous changes in survey scope and data collection techniques have been made, as discussed in Appendix A. In addition, the inclusion of work schedules, paid rest time, and paid lunch time for college and university teachers and the refinement of work schedule and leave reporting procedures for employees working unusual schedules (primarily teachers and police and firefighters) have resulted in differences in the data between the two surveys, especially in chapter 2.

Among the most frequently observed benefits provided to State and local government workers were life insurance, medical care, defined benefit pension plans, and paid sick leave; each of these benefits was provided<sup>3</sup> to the majority of full-time workers. In contrast, benefits such as paid lunch period, paid parental leave, and sickness and accident insurance were less commonly offered to full-time workers.

There are several notable differences in the incidence of benefits for full-time employees in State and local governments and for full-time employees in private establishments.<sup>4</sup> For example:

Defined benefit pension plans were available to 90 percent of full-time State and local government employees. In contrast, 63 percent of full-time employees in private, medium and large establishments participated in a defined benefit pension in 1989.

Sickness and accident insurance was available to 21 percent of State and local governments employees, while 43 percent of employees in private, medium and large establishments were offered this benefit in 1989. Sick leave was available to 95 percent of State and local government employees in contract to 68 percent of the workers in medium and large establishments.

Unpaid maternity leave was more prevalent in State and local governments, where 51 percent of employees were offered this benefit. Thirty-seven percent of employees in medium and large private establishments were offered this benefit.

## Time-off benefits

Over nine-tenths of full-time employees in State and local governments received jury-duty leave in 1990, while two-fifths were offered personal leave, and one-tenth were

<sup>3</sup> Data were collected on the number of workers "participating" in benefit plans. In general, workers were considered participants in wholly employer-financed plans that required a minimum length of service, even if some workers had not met those requirements at the time of the survey. Where plans—such as medical care or life insurance—required the employee to pay part of the cost (contributory plans), workers were considered participants only if they elected the plan.

<sup>4</sup> For more detailed comparisons of public and private sector benefits, see William J. Wiatrowski, "Comparing Employee Benefits in the Public and Private Sectors," *Monthly Labor Review*, December 1988, pp. 3-10; Alan P. Blostin and others, "Disability and Insurance Plans in the Public and Private Sectors," *Monthly Labor Review*, December 1988, pp. 9-17; and Lora Mills Lovejoy, "The Comparative Value of Pensions in the Public and Private Sectors," *Monthly Labor Review*, December 1988, pp. 18-26.

offered a paid lunch period.<sup>5</sup> Three-fourths had holidays, two-thirds had vacations, and approximately three-fifths were offered funeral leave and paid rest periods.<sup>6</sup>

For employees provided with paid time-off, the average provisions were:

- 36 minutes of paid lunch time per day;
- 2.9 days of personal leave per year;
- 13.6 holidays per year;
- 29 minutes of paid rest time per day;
- 12.2 days of vacation per year after 1 year of service, 18.4 days after 10 years, and 22.1 days after 20 years;
- 3.7 days of funeral leave per occurrence;
- Jury duty as needed.

There were pronounced differences in paid time-off benefits for teachers as compared with police and firefighters, and between these two groups and regular<sup>7</sup> employees. For example, fewer teachers than other workers were offered vacations and holidays; one-tenth of teachers were provided with paid vacations, and one-third received paid holidays. This difference is due to the fact that 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-fourth of police and firefighters, and one-third of regular employees.

Police and firefighters, on the other hand, were more likely than other employees to receive most paid time-off benefits. Almost all police and firefighters received vacations and holidays, and three-fourths received paid funeral leave, as compared to three-fifths for all other employees.

The proportion of employees receiving unpaid parental leave was consistent for the three occupational groups, with approximately one-half of full-time workers receiving unpaid maternity leave, and one-third offered unpaid paternity leave. Unpaid parental leave is separate from vacations, sick leave, and other time-off provisions that also may be available to new parents. Paid parental leave was rare.

### **Disability benefits**

Employees may be protected from loss of income during short- and long-term illnesses by sickness and accident insurance, long-term disability benefits, and sick leave. Benefits for short-term disabilities included an average of

12.6 days of sick leave per year at 1 year of service for the more than nine-tenths of workers receiving sick leave. One-fifth of full-time workers had sickness and accident insurance, which also provides workers with income during short-term periods of disability. Benefits are usually paid for 26 weeks, and are either a percentage of pay—commonly 50 or 67 percent—or a flat amount per week.

Long-term disability insurance provides benefits for disabilities that outlast sickness and accident insurance and sick leave provisions. Benefits are paid for extended or permanent periods of disability, and typically replace 50 or 60 percent of pre-disability pay. One-quarter of full-time employees had long-term disability insurance. The proportions of workers covered by long-term disability insurance were fairly consistent across occupational groups, with slightly fewer police and firefighters receiving these benefits than other employees.

### **Medical care and life insurance**

Medical care and life insurance were provided to almost all full-time workers in State and local governments. Ninety-three percent of full-time workers were provided medical care, while 88 percent were offered life insurance. The incidence of medical care was consistent among all three occupational groups, with over 90 percent of workers in each group offered this benefit.

Approximately 40 percent of full-time workers with medical coverage were required to pay part of the cost of individual coverage, while 65 percent were required to pay towards family coverage. For those required to pay part of the cost of coverage, the average monthly premiums were \$26 for individual coverage and \$118 for family coverage.

Sixty-one percent of medical care enrollees participated in traditional fee-for-service plans, which pay for specific medical procedures as expenses are incurred. For this type of plan, participants typically must meet a yearly deductible before any benefits are paid, after which the plan pays a specified percentage of charges. Preferred provider organizations (PPO's) typically contain many of the same features as fee-for-service plans, but differ in that employees using certain hospitals, physicians, or dentists receive more liberal benefits. Seventeen percent of full-time employees participated in PPO's.

The remainder of the employees (22 percent) participated in health maintenance organizations (HMO's). HMO's provide a predetermined set of benefits, typically from a designated group of providers, for a low cost or for free at the time of the service.

Almost nine-tenths of full-time employees in State and local governments in 1990 were offered life insurance. Approximately three-fifths of these employees had their benefits based on a flat dollar amount. The average amount was \$13,700. Most of the remaining employees were provided insurance based on a multiple-of-pay, which averaged 1.7 times annual pay.

<sup>5</sup> In addition to data on all full-time employees in State and local governments, data are presented separately for three occupational groups—regular employees, teachers, and police and firefighters. Regular employees are defined as all employees other than teachers or police and firefighters. For further details on occupational groups, see appendix A.

<sup>6</sup> Workers covered by a plan were labeled participants whether or not they used a benefit. For example, while the tables in this bulletin describe the provisions of sick or parental leave plans, they do not indicate the number of employees using these benefits or the amount of leave time taken.

<sup>7</sup> For purposes of brevity, State and local government workers who are neither teachers or police or firefighters are called "regular" employees.

## **Defined benefit pension and defined contribution plans**

Retirement income plans were widely available to full-time State and local government employees, with 96 percent of employees offered a defined benefit pension, a defined contribution plan, or both. Defined benefit pension plans specify a formula for determining an employee's annuity. Ninety percent of all full-time employees received a defined benefit pension plan; teachers received this benefit most often.

Some of the frequently observed characteristics of defined benefit plans were:

Just over three-fifths of full-time employees covered by pension plans were eligible for normal (unreduced) benefits at age 55 or earlier upon meeting service requirements.

Variations of retirement dates did occur among occupational groups. Police and firefighters typically could retire with full benefits at age 55 or earlier after 20 or 25 years of service. Many teachers and regular employees could retire at age 55 or earlier, but were required to have 30 or 35 years of service.

Three-fourths of all participants helped finance their pension plans. Most employees paid 5 to 8 percent of earnings.

Automatic post-retirement pension increases were included in plans covering half of all participants. These increases are designed to maintain the purchasing power of the pension benefits.

Defined contribution plans specify employer and employee contributions, but do not guarantee future pension benefits. They were less common than defined benefit plans. Fewer than one-tenth of full-time State and local government employees received this benefit. Defined contribution plans provide funds to finance retirement benefits, if funds can not be withdrawn easily, or they may be short-term capital accumulation plans, if periodic withdrawals are allowed. All defined contribution plans for State and local government workers were retirement plans. Police and firefighters were the most common recipients of such plans, generally in the form of a money purchase pension (plans providing retirement income based on fixed contribution rates plus earnings credited to the employee's account).

## **Flexible benefits plans and reimbursement accounts**

Flexible benefits plans allow employees to choose between several benefits, such as life insurance, medical care, and vacation days, and between several levels of care

within a given benefit. These plans, also known as cafeteria plans, were offered to 5 percent of full-time workers in State and local governments in 1990.

Employer-sponsored reimbursement accounts were offered to three-tenths of full-time employees. Employees may contribute to these accounts to pay for expenses not covered by existing benefit plans, such as child-care expenses and medical care deductibles. Employees typically contribute on a pre-tax basis, and the employer may also contribute to the account.

## **Other benefits**

The survey covered many benefits in addition to the major benefits just described. The data show the proportion of employees offered these benefits, not the proportion who actually use the benefits.

The most widely offered benefits in this category were employer-subsidized parking, job-related education assistance, and employee assistance programs. Employer-subsidized parking was offered to four-fifths of full-time employees in State and local governments. This includes on-site parking facilities offered without charge, and reduced rates at commercial lots.

Education assistance includes full or partial reimbursement for tuition, books, and fees. Job-related assistance was available to almost two-thirds of full-time employees, while non-job-related assistance was available to almost one-fifth of full-time employees.

Employee assistance programs (EAP's) provide employee referral and counseling services for alcoholism, drug abuse, emotional difficulties, and other personal problems. Approximately 60 percent of full-time employees could take advantage of an EAP. However, the incidence of EAP's varied by occupational group: 45 percent of teachers, as compared with 71 percent of police and firefighters, were offered this benefit.

Other benefits were less frequently offered to full-time employees. Child-care benefits, which include either employer-subsidized facilities, or reimbursement for off-site child care, were offered to 9 percent of full-time employees. Eldercare, which provides benefits to care for elderly parents, and long-term care insurance, which covers extended home health care or nursing home stays, were both offered to fewer than 5 percent of full-time employees.

State and local governments generally favored nonproduction cash bonuses over non-cash gifts to employees. Nonproduction cash bonuses were offered to just over one-third of full-time employees, while non-cash gifts were rarely offered. Police and firefighters were more than twice as likely to be offered nonproduction cash bonuses than were teachers.

### **A Note on the tables**

The majority of the tables presented throughout this bulletin show the percent of all employees, or of a selected group of employees, covered by particular benefits and benefit features. In using these tables, it is important to understand the group of employees about whom data are being presented; this information is contained in the title of each table. Some tables show 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.

For example, table 1 shows that 93 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 percents indicating the availability of plan features. For example, in table 36, 100 percent indicates those workers with medical care plans and 61 percent indicates those workers with medical care covered by a fee-for-service plan. A more detailed discussion of data calculation is found in appendix A.

**Table 1. Summary: Percent of full-time employees participating<sup>1</sup> in selected employee benefit programs, State and local governments,<sup>2</sup> 1990**

Employee benefit program	All employees <sup>3</sup>	Regular employees <sup>3</sup>	Teachers <sup>3</sup>	Police and fire-fighters <sup>3</sup>	Employee benefit program	All employees <sup>3</sup>	Regular employees <sup>3</sup>	Teachers <sup>3</sup>	Police and fire-fighters <sup>3</sup>
<b>Paid:</b>									
Holidays .....	74	89	33	94	Dental care .....	62	62	64	63
Vacations .....	67	87	10	98	Employee coverage:				
Personal leave .....	39	33	57	25	Wholly employer financed .....	51	50	52	52
Lunch period .....	11	8	13	39	Partly employer financed .....	11	11	11	11
Rest time .....	56	69	22	49	Family coverage:				
Funeral leave .....	63	63	62	75	Wholly employer financed .....	38	37	41	38
Jury duty leave .....	94	94	97	82	Partly employer financed .....	25	25	23	25
Military leave .....	81	83	74	86	Life insurance .....	88	88	87	89
Sick leave .....	95	93	97	95	Wholly employer financed .....	77	77	78	80
Maternity leave .....	1	1	1	2	Partly employer financed .....	11	11	10	10
Paternity leave .....	1	1	2	2	All retirement <sup>4</sup> .....	96	95	99	97
<b>Unpaid:</b>									
Maternity leave .....	51	49	57	45	Defined benefit pension .....	90	89	94	92
Paternity leave .....	33	33	35	29	Wholly employer financed .....	23	23	23	21
Sickness and accident insurance .....	21	23	16	17	Partly employer financed .....	67	66	71	72
Wholly employer financed .....	17	19	15	14	Defined contribution .....	9	8	11	13
Partly employer financed .....	3	5	1	3	Uses of funds:				
Long-term disability insurance .....	27	26	32	20	Retirement <sup>5</sup> .....	9	8	11	13
Wholly employer financed .....	18	17	23	12	Wholly employer financed <sup>6</sup> .....	1	1	1	1
Partly employer financed .....	9	9	9	8	Partly employer financed .....	8	7	10	12
Medical care .....	93	93	91	97	Types of plans:				
Employee coverage:					Savings and thrift .....	1	1	1	1
Wholly employer financed .....	58	57	60	61	Money purchase pension .....	8	7	10	12
Partly employer financed .....	35	36	31	35	Simplified employee pension .....	(?)	(?)	-	-
Family coverage:					Flexible benefits plans .....	5	4	7	(?)
Wholly employer financed .....	32	31	34	39	Reimbursement accounts .....	31	31	30	26
Partly employer financed .....	60	62	57	58					

<sup>1</sup> Participants are workers covered by a paid time off, insurance, retirement, or capital accumulation 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.

<sup>2</sup> See appendix A for scope of study.

<sup>3</sup> See appendix A for definitions of the occupational groups.

<sup>4</sup> 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.

<sup>5</sup> Plans were counted as retirement plans if employer contributions had to remain in the participant's account until retirement age, death, disability, separation from service, age 59 1/2, or hardship.

<sup>6</sup> Employees participating in two or more plans were counted as participants in wholly employer-financed plans only if all plans were noncontributory.

<sup>7</sup> 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 2. Other benefits: Percent of full-time employees eligible for specified benefits, State and local governments, 1990**

Employee benefit	All employees	Regular employees	Teachers	Police and fire-fighters
Income continuation plans:				
Severance pay .....	27	26	28	32
Supplemental unemployment benefits .....	( <sup>1</sup> )	1	-	-
Transportation benefits:				
Free or subsidized employee parking .....	81	79	87	82
Subsidized commuting .....	7	8	1	18
Job-related travel accident insurance .....	14	14	13	13
Gifts and cash bonuses:				
Gifts .....	1	1	( <sup>1</sup> )	-
Nonproduction bonuses .....	35	38	23	59
Financial and legal services:				
Financial counseling .....	7	8	7	6
Prepaid legal services .....	8	8	6	17
Family benefits:				
Employer assistance for child care .....	9	10	7	7
Employer financial assistance for adoption .....	1	1	1	-
Eldercare .....	4	4	4	3
Long-term care insurance .....	2	2	3	( <sup>1</sup> )
Health promotion programs:				
In-house infirmary .....	18	19	17	11
Wellness programs .....	29	31	22	32
Employee assistance programs .....	59	64	45	71
Miscellaneous benefits:				
Employee discounts .....	2	2	2	-
Employer-subsidized recreation facilities .....	15	13	19	22
Subsidized meals .....	7	8	5	4
Sabbatical leave .....	28	15	65	12
Relocation allowance .....	13	16	6	11
Education assistance:				
Job related .....	63	66	53	69
Not job related .....	18	20	13	16

<sup>1</sup> Less than 0.5 percent.

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

## Chapter 2. Work Schedules, Paid Time Off, and Parental Leave

In 1990, the Employee Benefits Survey collected data on the schedules worked by government employees as well as the variety of time off with pay available to workers. Survey coverage of paid leave benefits included provisions for lunch and rest periods; holidays and vacations; and personal, funeral, jury-duty, and military leave. Paid and unpaid parental leave were also surveyed. (Information on paid sick leave appears in chapter 3.)

### Work schedules

The number of straight-time hours<sup>8</sup> worked per week varied significantly by occupational group (table 3). Nearly 3 out of 5 regular employees worked a 40-hour week; the remainder generally worked 35 or 37.5 hours (7- or 7.5-hour days). Virtually all teachers worked from 30 to 40 hours per week, which included paid lunch and rest periods, as well as preparation and grading time if such activities were considered by the school to be a part of the teacher's workday. Additional hours for extracurricular activities were included only if considered part of the regular work schedule.

About three-fourths of police and firefighters worked a traditional fixed work schedule, commonly 8 hours per day and 40 hours per week. The remaining one-fourth of police and firefighters worked rotating work schedules, with very long shifts followed by several days off. Such work arrangements were most prevalent for firefighters.

A common firefighter schedule consisted of 24 hours on duty, 24 hours off, 24 hours on, and 72 hours off. Then the cycle repeats. For the survey, average weekly work hours were computed for these employees by converting the number of days in the cycle to a 7-day week; this converts the above schedule to 56 hours per week. As a result, nearly all police and firefighters with rotating schedules worked more than 40 hours a week. The prevalent rotating work schedules were 12 hours per day and 48 hours per week or 24 hours per day and 53 hours per week. (Note that only 53 hours per week were reported in most cases because hours per week over 53 were commonly paid at overtime rates.)

<sup>8</sup> Straight-time hours include paid lunch and rest periods and exclude all overtime hours. Regularly scheduled overtime was included in work schedule data for previous Employee Benefit Surveys.

A small proportion of teachers did not have fixed work schedules. This group, consisting of college and university-level instructors, were not required to work any set number of hours. Instead, teachers worked the number of hours necessary to complete their duties, including class instruction, research, and office hours.

Formal flexible work schedules were offered primarily to regular employees. Ten percent of this group had formal flexible work arrangements, as compared to 3 percent of teachers and police and firefighters. These flextime arrangements give employees the opportunity to begin and end work within a specified range of hours while meeting overall requirements for total hours of work. Limits on the amount of flexibility varied from plan to plan, but generally, employees were required to work a core number of hours during the day.

### Paid lunch and rest periods

Eight percent of regular employees received formal paid lunch periods, and 69 percent were provided formal rest time, such as coffee breaks (table 4 and 5). In contrast, 13 percent of teachers received paid lunch time, and just 22 percent received paid rest time. Paid lunch time was much more common for police and firefighters, of whom 39 percent received a paid break for meals. Forty-nine percent of police and firefighters had paid rest breaks.

The amount of time available for paid lunch averaged 36 minutes, as shown in the following tabulation. Paid rest time, averaging 29 minutes a day, was provided most commonly as two daily breaks of 10 or 15 minutes each.

<i>Provision</i>	<i>All participants</i>	<i>Regular</i>	<i>Teachers</i>	<i>Police and firefighters</i>
Lunch time—average minutes per day . . . . .	36	36	32	40
Rest time—average minutes per day . . . . .	29	29	29	33

### Paid holidays

Eighty-nine percent of regular employees and virtually all police and firefighters were provided paid holidays, averaging 13.6 days per year. Floating holidays and "personal holidays," such as employee birthdays, were included in the holiday plans reported (tables 6 to 8).

Thirty-three percent of teachers received formal paid holidays. Only when benefit documents specifically stated that teachers received paid holidays was the information tabulated as such. Teachers are typically employed for a fixed number of days—for example, 180—over a 9- or 10-month contract. For many teachers, school holidays are not included in the days contracted for and are therefore not designated as paid holidays.

When a holiday fell on a scheduled day off, such as a Saturday or Sunday, holiday policies varied significantly by occupational group. Another day off was regularly granted to 88 percent of the regular employees receiving paid holidays and to 94 percent of teachers receiving paid holidays. Most of the remaining workers received either another day off or an additional day's pay, depending on when the holiday fell. For police and firefighters, however, only 50 percent of employees were granted another day off. Twenty-five percent of police and firefighters were given an additional day's pay. The policy for most of the remainder depended on when the holiday fell. A different policy often applies to police and firefighters because police and firefighting duties are required 24 hours a day, 7 days a week. Often, these workers are paid for a specified number of holidays whether they work them or not.

### **Paid vacations**

Most regular employees and police and firefighters were provided paid vacations (tables 6 and 9 to 12). Like holidays, the incidence among teachers was low (10 percent) because most were employed on a 9- or 10-month basis. For police and firefighters working rotating shifts, the number of vacation days (as well as all leave days other than holidays) was adjusted to represent an 8-hour workday.

The average number of vacation days varies by length of service and among occupational groups. The average vacation time for all participants was 12.2 days at 1 year of service, 18.4 days at 10 years, and 22.1 days at 20 years. Vacations for regular employees and police and firefighters were similar, increasing steadily as years of service increased, and leveling off after 25 years of service. Teachers receiving paid vacations generally showed less of an increase with length of service.

Virtually all employees received their regular earnings during vacation periods. The others were provided vacation payments at other than 100 percent of earnings.

Four out of 5 employees with vacation plans had to work a minimum period before being allowed to take vacation. Teachers commonly had only a 1-month service requirement, while a 6- or 12-month requirement was more common for regular employees and police and firefighters.

In cases where holidays, vacation, sick leave days, or personal leave are combined under one leave category and could not be shown separately, the total amount of time off was reported as vacation time. 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. Three percent of full-time employees were covered by leave bank plans, which typically offered a greater average number of days than plans that were not leave banks.

Anniversary-year bonus vacation days, such as an extra week of vacation at 10 and 20 years of service, were included in the count of regular vacation time.

The survey also examined covered carryover and cash-in provisions for unused vacation time. Seventy-two percent of all workers covered were allowed to carry over at least some of their unused vacation days into the next year; just 2 percent could cash in some or all of their vacation days at the end of the year; and 8 percent had both cash-in and carryover provisions. Seventeen percent lost vacation days that were unused at the end of the year. Regular employees were more likely to have carryover and cash-in provisions than were teachers or police and firefighters.

The average number of vacation days varied depending on the cash-in/carryover provision. At all lengths of service, the greater number of days were provided to those employees who could carryover and cash-in unused vacation days. These employees averaged about 3 more days per year than employees without cash-in or carryover provisions.

### **Paid personal leave**

Formal personal leave, which allows employees to be absent from work with pay for a variety of reasons not covered by other specific leave plans, was provided to 39 percent of the full-time employees (table 13). Fifty-seven percent of teachers received personal leave, more than twice the proportion of police and firefighters having this benefit. Most commonly, employees provided personal leave were eligible for 1 to 5 days; the average was 2.9 days per year. Police and firefighters averaged 3.5 days per year while teachers averaged 2.6 days and regular employees averaged 3.0 days. A few employees were provided as much personal leave as needed.

### **Paid funeral leave, jury-duty leave, and military leave**

Three out of 5 regular employees and teachers and three-fourths of police and firefighters were eligible for paid leave to attend funerals of family members (table 14). Nearly all of these employees received a set number of days per occurrence, averaging 3.7 days. The average number of days for teachers was slightly higher at 4.1 days per occurrence. One in 5 workers was in a plan where the number of days varied by relationship to the deceased. These workers were included in the count of workers having a set number of days; the maximum number of days off was reported for each plan that included this relationship provision. For some employees who are not covered by a separate funeral leave plan, employers may provide an in-



formal benefit or allow employees to use other types of leave, such as paid sick leave days, to attend a funeral. (See chapter 3.)

Nearly all regular employees and teachers, and four-fifths of police and firefighters, were eligible for paid leave while serving as a juror (table 15). Paid time off for jury duty was usually provided "as needed"; employer payments commonly made up the difference between an employees' regular pay and the court's jury allowance.

Military leave, providing pay for absences from work to fulfill military training or duty commitments, was available to 86 percent of police and firefighters, 83 percent of regular employees, and 74 percent of teachers (table 16). (The number is lowest for teachers because they often have unpaid time off in the summer.) The most common provision was 3 weeks or more off per year, but 13 percent of the workers were provided paid military leave as needed. For workers with a specified number of days off, military leave averaged 17.0 workdays per year. The average number of days for teachers was slightly lower at 16.1 days. Pay for military leave was either regular pay or the difference between regular pay and military pay.<sup>9</sup>

### Parental leave

Fifty-one percent of all government workers were eligible for unpaid maternity leave; 33 percent were eligible for unpaid paternity leave (tables 17 and 18). Paid maternity or paid paternity leave was rare. Parental leave plans were defined as separate from an employee's other-leave plans, such as sick leave and paid vacations, which might be used by a new mother or father. Unpaid maternity and paternity leave generally could be

<sup>9</sup> For further information on leave items in all sectors, see "Military and Other Leave Plans Limited in Small Establishments," *Monthly Labor Review*, February 1992.

taken after regular paid leave was used, and could continue for a fixed period of time. Employees had a reasonable expectation of returning to their own or a similar job following leave, although this was not always specifically guaranteed.<sup>10</sup>

For plans that provided a fixed number of days of unpaid maternity or paternity leave, maximum maternity benefits averaged 51 weeks and maximum paternity benefits averaged 58 weeks in duration. The higher average for paternity leave results from the fact that plans with both maternity and paternity leave often provided more days off than plans granting only maternity leave. The impact of this was greater on the average for paternity leave because of the relatively few workers involved survey wide. As shown below, the average weeks varied slightly by occupational group:

	<i>Unpaid maternity leave weeks</i>	<i>Unpaid paternity leave weeks</i>
All participants .....	51.3	57.8
Regular .....	49.8	56.6
Teachers .....	51.8	54.8
Police and firefighters .....	68.7	88.8

Individual plans differed considerably in the amount of unpaid time allowed, ranging from under 6 weeks to over 2 years. For teachers who often work fewer days per year, the number of days of parental leave provided can appear less generous. For instance, for a teacher with a 180-day contract, a year of parental leave was measured as 180 days, instead of the 260 days an employee with a regular work schedule would receive.

<sup>10</sup> For additional details on parental leave plans, see Joseph R. Meisenheimer, "Employer Provisions for Parental Leave," *Monthly Labor Review*, October 1989, pp. 20-24.

**Table 3. Work schedules: Percent of full-time employees by number of hours scheduled per week,<sup>1</sup> State and local governments, 1990**

Work schedule	All employees	Regular employees	Teachers	Police and fire-fighters
Total .....	100	100	100	100
Hours per week:				
Under 30 .....	1	2	2	-
30 .....	3	2	7	-
Over 30 and under 35 .....	6	3	16	-
35 .....	10	8	16	( <sup>1</sup> )
Over 35 and under 37.5 .....	3	1	7	4
37.5 .....	14	13	18	3
Over 37.5 and under 40 .....	2	1	3	1
40 .....	59	70	32	62
Over 40 and under 50 .....	1	1	-	13
50 and under 53 .....	( <sup>1</sup> )	( <sup>1</sup> )	-	2
53 .....	1	( <sup>1</sup> )	-	11
Over 53 .....	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	2
Non-fixed work hours .....	1	1	4	-
Hours per day:				
Under 5 .....	1	1	1	-
5 .....	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	-
Over 5 and under 6 .....	( <sup>1</sup> )	( <sup>1</sup> )	1	( <sup>1</sup> )
6 .....	3	2	7	( <sup>1</sup> )
Over 6 and under 7 .....	6	2	16	1
7 .....	9	8	16	( <sup>1</sup> )
Over 7 and under 8 .....	18	15	28	3
8 .....	60	70	32	66
Over 8 and under 12 .....	1	1	( <sup>1</sup> )	8
12 .....	1	( <sup>1</sup> )	( <sup>1</sup> )	13
Over 12 and under 24 .....	( <sup>1</sup> )	-	-	1
24 .....	1	( <sup>1</sup> )	-	8
Hours per day not available .....	( <sup>1</sup> )	-	( <sup>1</sup> )	( <sup>1</sup> )
Non-fixed work days .....	1	1	4	( <sup>1</sup> )

<sup>1</sup> Work schedule data include paid lunch and paid rest periods.

<sup>2</sup> 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. Paid lunch time: Percent of full-time employees by minutes of paid lunch time per day, State and local governments, 1990**

Minutes per day	All employees	Regular employees	Teachers	Police and fire-fighters
Total .....	100	100	100	100
Provided paid lunch time .....	11	8	13	39
Under 30 minutes .....	1	( <sup>1</sup> )	1	3
30 minutes .....	8	6	9	23
Over 30 minutes .....	3	2	3	10
Number of minutes not available .....	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	2
Not provided paid lunch time .....	89	92	87	61

<sup>1</sup> 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 5. Paid rest time: Percent of full-time employees by minutes of paid rest time per day, State and local governments, 1990**

Minutes per day	All employees	Regular employees	Teachers	Police and fire-fighters
Total .....	100	100	100	100
Provided paid rest time .....	56	69	22	49
Under 15 minutes .....	1	1	-	( <sup>1</sup> )
15 minutes .....	1	2	1	1
20 minutes .....	3	4	1	4
Over 20 and under 30 minutes .....	( <sup>1</sup> )	( <sup>1</sup> )	-	-
30 minutes .....	49	61	19	40
Over 30 minutes .....	1	1	1	3
Number of minutes not available .....	1	1	1	1
Not provided paid rest time .....	44	31	78	51

<sup>1</sup> 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. Paid holidays and vacations: Average number of days for full-time participants, State and local governments, 1990**

Item	All participants	Regular participants	Teachers	Police and fire-fighters
Paid holidays .....	13.6	13.8	13.1	12.6
Paid vacation by length of service:				
At 1 year <sup>1</sup> .....	12.2	12.0	12.7	13.6
At 3 years .....	13.4	13.2	13.3	14.7
At 5 years .....	15.3	15.2	14.1	16.8
At 10 years .....	18.4	18.3	15.6	19.9
At 15 years .....	20.4	20.3	16.9	22.4
At 20 years .....	22.1	22.1	17.9	24.1
At 25 years .....	22.7	22.6	18.1	24.7
At 30 years <sup>2</sup> .....	22.9	22.9	18.1	24.8

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

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

NOTE: Computation of average included half days and excluded workers with zero holidays or vacation days and those with informal plans.

**Table 7. Paid holidays: Percent of full-time employees by number of paid holidays provided each year, State and local governments, 1990**

Number of days	All employees	Regular employees	Teachers	Police and fire-fighters
Total .....	100	100	100	100
Provided paid holidays .....	74	89	33	94
Under 6 days .....	2	1	5	1
6 days .....	2	2	3	2
6.1 - 6.9 days .....	( <sup>1</sup> )	( <sup>1</sup> )	-	-
7 days .....	2	2	1	2
7.1 - 7.9 days .....	( <sup>1</sup> )	( <sup>1</sup> )	-	-
8 days .....	3	3	2	2
8.1 - 8.9 days .....	1	1	( <sup>1</sup> )	( <sup>1</sup> )
9 days .....	5	5	2	8
9.1 - 9.9 days .....	1	1	( <sup>1</sup> )	1
10 days .....	11	13	3	15
10.1 - 10.9 days .....	2	2	2	2
11 days .....	12	15	1	21
11.1 - 11.9 days .....	1	1	( <sup>1</sup> )	( <sup>1</sup> )
12 days .....	15	20	2	16
12.1 - 12.9 days .....	1	2	( <sup>1</sup> )	1
13 days .....	9	11	( <sup>1</sup> )	18
13.1 - 13.9 days .....	1	1	( <sup>1</sup> )	1
14 days .....	2	3	1	2
More than 14 days .....	6	5	10	1
Number of days not available .....	( <sup>1</sup> )	( <sup>1</sup> )	-	( <sup>1</sup> )
Not provided paid holidays .....	26	11	67	6

<sup>1</sup> 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. Paid holidays: Percent of full-time participants by policy on holidays that fall on a regularly scheduled day off, State and local governments, 1990**

Holiday policy	All participants	Regular participants	Teachers	Police and fire-fighters
Total .....	100	100	100	100
Holiday is not observed .....	3	3	2	3
Another day off granted .....	86	88	94	50
Additional day's pay in lieu of holiday .....	3	2	1	25
Another day off or day's pay, depending on when holiday falls ...	7	7	3	10
Other provision applies <sup>1</sup> .....	1	1	1	12
Holiday policy not determinable .....	( <sup>2</sup> )	1	-	-

<sup>1</sup> Includes plans where the policy differs by holiday.

<sup>2</sup> 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 vacations: Percent of full-time employees by amount of paid vacation provided at selected periods of service, State and local governments, 1990**

Vacation policy <sup>1</sup>	All employees	Regular employees	Teachers	Police and fire-fighters	Vacation policy <sup>1</sup>	All employees	Regular employees	Teachers	Police and fire-fighters
Total .....	100	100	100	100					
Provided paid vacations <sup>2</sup> .....	67	87	10	98	At 5 years of service —Continued				
At 1 year of service:					Over 10 and under 15 days .....	10	13	2	11
Under 5 days .....	( <sup>3</sup> )	( <sup>3</sup> )	-	-	15 days .....	20	27	1	28
5 days .....	5	6	-	6	Over 15 and under 20 days .....				
Over 5 and under 10 days .....	2	2	1	3	20 days .....	5	7	-	4
10 days .....	25	33	5	26	Over 20 and under 25 days .....	4	5	2	12
Over 10 and under 15 days .....	22	29	1	28	25 days .....	( <sup>3</sup> )	( <sup>3</sup> )	-	1
15 days .....	5	6	1	11	Over 25 and under 30 days .....	1	1	( <sup>3</sup> )	8
Over 15 and under 20 days .....	2	3	( <sup>3</sup> )	5	30 days .....	( <sup>3</sup> )	1	-	1
20 days .....	2	3	-	8	Over 30 days .....	1	1	-	2
Over 20 and under 25 days .....	3	3	2	8	At 10 years of service:				
25 days .....	( <sup>3</sup> )	1	-	( <sup>3</sup> )	Under 10 days .....	( <sup>3</sup> )	1	-	( <sup>3</sup> )
Over 25 and under 30 days .....	1	1	( <sup>3</sup> )	2	10 days .....	3	3	3	2
30 days .....	( <sup>3</sup> )	( <sup>3</sup> )	-	1	Over 10 and under 15 days .....				
Over 30 days .....	( <sup>3</sup> )	( <sup>3</sup> )	-	( <sup>3</sup> )	15 days .....	2	2	1	2
At 3 years of service:					Over 15 and under 20 days .....	18	24	( <sup>3</sup> )	25
Under 5 days .....	( <sup>3</sup> )	( <sup>3</sup> )	-	-	Over 20 and under 25 days .....	16	20	3	19
5 days .....	1	1	-	( <sup>3</sup> )	20 days .....	15	21	( <sup>3</sup> )	13
Over 5 and under 10 days .....	1	1	1	3	Over 25 and under 30 days .....	7	9	2	14
10 days .....	24	31	3	27	25 days .....	2	3	-	5
Over 10 and under 15 days .....	19	25	3	24	Over 30 days .....	2	2	( <sup>3</sup> )	13
15 days .....	9	11	1	18	30 days .....	( <sup>3</sup> )	( <sup>3</sup> )	-	1
Over 15 and under 20 days .....	6	8	( <sup>3</sup> )	5	Over 30 days .....	1	2	-	3
20 days .....	3	4	-	8	At 15 years of service:				
Over 20 and under 25 days .....	3	3	2	9	Under 10 days .....	( <sup>3</sup> )	1	-	( <sup>3</sup> )
25 days .....	( <sup>3</sup> )	( <sup>3</sup> )	-	( <sup>3</sup> )	10 days .....	3	2	3	2
Over 25 and under 30 days .....	1	1	( <sup>3</sup> )	3	Over 10 and under 15 days .....				
30 days .....	( <sup>3</sup> )	( <sup>3</sup> )	-	1	15 days .....	1	1	( <sup>3</sup> )	1
Over 30 days .....	( <sup>3</sup> )	1	-	1	Over 15 and under 20 days .....	6	7	( <sup>3</sup> )	7
At 5 years of service:					20 days .....	10	13	3	9
Under 5 days .....	( <sup>3</sup> )	( <sup>3</sup> )	-	-	Over 20 and under 25 days .....	22	30	1	30
5 days .....	1	1	-	( <sup>3</sup> )	25 days .....	15	20	3	19
Over 5 and under 10 days .....	1	( <sup>3</sup> )	1	1	Over 25 and under 30 days .....	4	5	-	6
10 days .....	13	17	3	18	30 days .....	4	5	( <sup>3</sup> )	16
					Over 30 days .....	( <sup>3</sup> )	( <sup>3</sup> )	-	3
						2	2	-	6

**Table 9. Paid vacations: Percent of full-time employees by amount of paid vacation provided at selected periods of service, State and local governments, 1990—Continued**

Vacation policy <sup>1</sup>	All employees	Regular employees	Teachers	Police and fire-fighters	Vacation policy <sup>1</sup>	All employees	Regular employees	Teachers	Police and fire-fighters
At 20 years of service:					At 25 years of service—Continued				
Under 10 days .....	( <sup>3</sup> )	1	-	( <sup>3</sup> )	Over 20 and under 25				
10 days .....	2	2	3	2	days .....	21	27	5	22
Over 10 and under 15					25 days .....	14	19	( <sup>3</sup> )	16
days .....	1	1	( <sup>3</sup> )	1	Over 25 and under 30				
15 days .....	4	5	( <sup>3</sup> )	4	days .....	8	10	( <sup>3</sup> )	20
Over 15 and under 20					30 days .....	2	2	( <sup>3</sup> )	7
days .....	2	3	1	4	Over 30 days .....	3	3	-	10
20 days .....	14	20	( <sup>3</sup> )	19	At 30 years of service: <sup>4</sup>				
Over 20 and under 25					Under 10 days .....	( <sup>3</sup> )	1	-	( <sup>3</sup> )
days .....	23	30	5	23	10 days .....	2	2	3	2
25 days .....	10	14	( <sup>3</sup> )	11	Over 10 and under 15				
Over 25 and under 30					days .....	1	1	( <sup>3</sup> )	1
days .....	7	8	( <sup>3</sup> )	18	15 days .....	3	5	( <sup>3</sup> )	4
30 days .....	1	1	-	6	Over 15 and under 20				
Over 30 days .....	2	3	-	9	days .....	2	2	1	2
At 25 years of service:					20 days .....	11	15	( <sup>3</sup> )	14
Under 10 days .....	( <sup>3</sup> )	1	-	( <sup>3</sup> )	Over 20 and under 25				
10 days .....	2	2	3	2	days .....	20	26	5	22
Over 10 and under 15					25 days .....	13	18	( <sup>3</sup> )	16
days .....	1	1	( <sup>3</sup> )	1	Over 25 and under 30				
15 days .....	3	5	( <sup>3</sup> )	4	days .....	8	9	( <sup>3</sup> )	20
Over 15 and under 20					30 days .....	3	4	( <sup>3</sup> )	7
days .....	2	2	1	2	Over 30 days .....	3	3	-	11
20 days .....	12	16	( <sup>3</sup> )	14	Not provided paid vacations .....	33	13	90	2

<sup>1</sup> 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.

<sup>2</sup> Employees earn a specified number of vacation days per year. All days are assumed available to the employee immediately upon completion of the described length-of-service interval.

<sup>3</sup> Less than 0.5 percent.

<sup>4</sup> Provisions were 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 10. Paid vacations: Percent of full-time participants by length of service required to take vacation, State and local governments, 1990**

Length of service requirement	All participants	Regular participants	Teachers	Police and fire-fighters
Total .....	100	100	100	100
With service requirement .....	83	83	67	85
1 month .....	22	21	47	16
2 months .....	( <sup>1</sup> )	1	-	-
3 months .....	4	4	-	3
4-5 months .....	( <sup>1</sup> )	( <sup>1</sup> )	-	( <sup>1</sup> )
6 months .....	29	29	10	31
7-11 months .....	1	1	5	1
1 year .....	27	27	5	33
Over 1 year .....	( <sup>1</sup> )	( <sup>1</sup> )	-	1
Without service requirement .....	16	16	28	15
Service requirement not determinable .....	1	1	4	-

<sup>1</sup> 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 vacations: Percent of full-time participants by unused vacation policy, State and local governments, 1990**

Policy	All participants	Regular participants	Teachers	Police and fire-fighters
Total .....	100	100	100	100
Carryover only .....	72	72	69	66
Cash-in only .....	2	2	-	5
Carryover and cash-in .....	8	9	3	4
Unused benefit lost .....	17	15	29	26
Data not available .....	1	1	-	( <sup>1</sup> )

<sup>1</sup> 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 12. Paid vacations: Average number of days for full-time participants by length of service and cash-in/carryover provisions, State and local governments, 1990**

Length of service	All plans	Cash-in, carryover, or both	Carryover only	Cash-in and carryover	No cash-in or carryover
At 1 year .....	12.2	12.6	12.6	13.0	10.2
At 3 years .....	13.4	13.7	13.6	14.8	11.6
At 5 years .....	15.3	15.6	15.4	17.5	13.6
At 10 years .....	18.4	18.7	18.6	20.2	16.6
At 15 years .....	20.4	20.7	20.5	22.2	18.7
At 20 years .....	22.1	22.5	22.3	23.8	20.4
At 25 years .....	22.7	23.0	22.8	24.2	20.9
At 30 years .....	22.9	23.2	23.0	24.5	21.4

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

**Table 13. Paid personal leave: Percent of full-time employees by number of paid personal leave days provided per year, State and local governments, 1990**

Number of days	All employees	Regular employees	Teachers	Police and fire-fighters
Total .....	100	100	100	100
Provided paid personal leave .....	39	33	57	25
1 day .....	4	4	4	1
2 days .....	12	7	26	5
3 days .....	14	12	20	9
4 days .....	3	3	2	3
5 days .....	5	5	3	4
More than 5 days .....	1	1	1	3
No maximum specified <sup>1</sup> .....	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	-
Varies by length of service .....	1	1	1	1
Number of days not available .....	( <sup>1</sup> )	-	( <sup>1</sup> )	-
Not provided paid personal leave .....	61	67	43	75

<sup>1</sup> Personal leave is provided as needed.  
<sup>2</sup> 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 14. Paid funeral leave: Percent of full-time employees by number of paid funeral leave days available per occurrence, State and local governments, 1990**

Number of days	All employees	Regular employees	Teachers	Police and fire-fighters
Total .....	100	100	100	100
Provided paid funeral leave .....	63	63	62	75
1 day .....	1	1	( <sup>1</sup> )	2
2 days .....	3	4	2	3
3 days .....	30	33	20	38
4 days .....	10	10	8	14
5 days .....	17	13	28	13
More than 5 days .....	1	1	2	4
No maximum specified .....	1	( <sup>1</sup> )	2	( <sup>1</sup> )
Varies by length of service .....	( <sup>1</sup> )	( <sup>1</sup> )	-	1
Not provided paid funeral leave .....	37	37	38	25
Number of days varies by relationship to deceased <sup>2</sup> .....	20	18	25	20

<sup>1</sup> Less than 0.5 percent.  
<sup>2</sup> 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 15. Paid jury-duty leave: Percent of full-time employees by number of paid jury-duty leave days available per occurrence, State and local governments, 1990**

Number of days	All employees	Regular employees	Teachers	Police and fire-fighters
Total .....	100	100	100	100
Provided paid jury-duty leave .....	94	94	97	82
Under 10 days .....	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	-
10 days .....	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	-
Over 10 days .....	1	( <sup>1</sup> )	1	( <sup>1</sup> )
No maximum specified <sup>2</sup> .....	93	93	96	82
Not provided paid jury-duty leave .....	6	6	3	18

<sup>1</sup> Less than 0.5 percent.  
<sup>2</sup> Jury-duty 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 16. Paid military leave: Percent of full-time employees by number of paid military leave days available per year, State and local governments, 1990**

Number of days	All employees	Regular employees	Teachers	Police and fire-fighters
Total .....	100	100	100	100
Provided paid military leave .....	81	83	74	86
Under 10 days .....	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	1
10 days .....	15	15	15	12
11-14 days .....	5	5	4	7
15 days .....	21	22	18	26
Over 15 days .....	26	29	18	33
No maximum specified <sup>2</sup> .....	13	11	18	6
Number of days not available .....	( <sup>1</sup> )	( <sup>1</sup> )	-	( <sup>1</sup> )
Not provided paid military leave .....	19	17	26	14

<sup>1</sup> Less than 0.5 percent.

<sup>2</sup> 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 17. Parental leave: Percent of full-time employees by leave policy, State and local governments, 1990**

Employer leave policy	All employees	Regular employees	Teachers	Police and firefighters
Total .....	100	100	100	100
Eligible for parental leave <sup>1</sup> .....	53	51	59	48
Eligible for maternity leave .....	53	51	59	47
Paid days only .....	1	1	1	2
Unpaid days only .....	51	49	56	44
Both unpaid and paid days .....	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )
Information not available on type of days .....	1	1	1	1
Not eligible for maternity leave .....	( <sup>2</sup> )	( <sup>2</sup> )	-	1
Eligible for paternity leave .....	35	34	37	31
Paid days only .....	1	1	1	2
Unpaid days only .....	33	33	35	29
Both unpaid and paid days .....	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	-
Information not available on type of days .....	1	1	1	( <sup>2</sup> )
Not eligible for paternity leave .....	18	17	22	16
Not eligible for parental leave .....	47	49	41	52

<sup>1</sup> Parental leave includes plans providing maternity leave only, paternity leave only, and both maternity and paternity leave.

<sup>2</sup> 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 18. Unpaid parental leave<sup>1</sup>: Percent of eligible full-time employees by maximum duration of benefits, State and local governments, 1990**

Duration	All eligible employees	Regular employees	Teachers	Police and fire-fighters
<b>Unpaid maternity leave</b>				
Total .....	100	100	100	100
Under 1 month .....	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	1
Over 1 but under 2 months .....	17	18	15	15
Over 2 but under 3 months .....	6	6	5	5
3 months .....	2	2	2	( <sup>2</sup> )
Over 3 and under 4 months .....	( <sup>2</sup> )	( <sup>2</sup> )	-	3
4 months .....	3	4	1	3
Over 4 but under 5 months .....	3	3	2	4
Over 5 but under 6 months .....	1	2	( <sup>2</sup> )	1
6 months .....	7	9	3	10
Over 6 but under 9 months .....	16	14	22	3
9 months .....	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	-
Over 9 and under 12 months .....	3	2	7	2
12 months .....	25	26	21	32
Over 12 but under 24 months .....	3	1	9	-
24 months .....	1	1	2	-
Over 24 months .....	12	11	10	22
<b>Unpaid paternity leave</b>				
Total .....	100	100	100	100
Under 1 month .....	1	1	2	1
Over 1 but under 2 months .....	18	18	18	14
Over 2 but under 3 months .....	6	7	5	6
3 months .....	2	2	2	-
4 months .....	2	3	1	-
Over 4 but under 5 months .....	1	1	1	3
Over 5 but under 6 months .....	1	2	( <sup>2</sup> )	-
6 months .....	6	7	2	8
Over 6 but under 7 months .....	( <sup>2</sup> )	( <sup>2</sup> )	-	( <sup>2</sup> )
7 months .....	10	12	5	-
Over 8 but under 9 months .....	5	2	12	1
9 months .....	( <sup>2</sup> )	( <sup>2</sup> )	1	-
Over 9 but under 10 months .....	2	1	5	-
10 months .....	( <sup>2</sup> )	( <sup>2</sup> )	1	-
Over 10 and under 12 months .....	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	3
12 months .....	25	25	23	30
Over 12 but under 24 months .....	3	1	9	-
24 months .....	1	1	2	-
Over 24 months .....	16	16	12	34

<sup>1</sup> This table includes plans providing a fixed number of unpaid days off, regardless of whether paid days off are also provided.

<sup>2</sup> 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 3. Disability Benefits

This chapter discusses three types of disability benefits: Sick leave, sickness and accident insurance, and long-term disability insurance. Paid sick leave and sickness and accident insurance provide protection against loss of income during temporary absences from work due to illness or accident. During more extended periods of disability, workers' income may be continued through long-term disability insurance or disability pensions.

In 1990, short-term disability protection was available to 95 percent of all employees covered by the survey through sick leave, or sick leave and sickness and accident insurance (table 19). A few employees had sickness and accident insurance only. Sick leave usually continues all of the worker's normal earnings; sickness and accident insurance usually replaces 50 to 75 percent of pay.

Twenty percent of the workers had sick leave plans coordinated with sickness and accident insurance. Coordination is accomplished by either delaying insurance benefits until 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. Employers offering sickness and accident insurance generally allow somewhat fewer sick leave days than those without such insurance. This gap was more pronounced for police and firefighters than for regular employees. At 5 years of service, for example, annual sick leave plans coordinated with sickness and accident insurance granted police and firefighters an average of 13.5 sick days at full pay—4 fewer days than plans without insurance. The gap for regular employees was less than 1 day.

Long-term disability insurance (LTD), which typically pays 50, 60, or 67 percent of earnings, was available to 27 percent of the employees. Coverage was more common among regular employees and teachers. Police and firefighters usually had lower age and service requirements for normal (unreduced) retirement than the other groups, possibly lessening the need for LTD insurance. (See the section on normal retirement in chapter 6.) Long-term disability insurance payments usually begin after sick leave and sickness and accident insurance are exhausted, and continue as long as the person is disabled or until retirement age.

### **Paid sick leave**

Ninety-five percent of the State and local government employees were covered by paid sick leave plans, which nearly always allowed a specified number of days off per year (annual sick leave plans). Other methods of granting sick leave accounted for 2 percent of the employees. They included providing a specified number of days per illness (per-disability plans), providing time off as needed, or offering a combination of annual and per-disability benefits (tables 20-24).

Because annual sick leave plans do not renew benefits after each illness, virtually all of the employees with such plans could carry over and accumulate unused sick leave from year to year (cumulative plans). Typically, a plan granted a fixed number of days, such as 1 day per month, with unused days carried into the future. Just over one-half of workers with carryover provisions were allowed to accumulate an unlimited amount of sick leave. Where limits applied, they ranged widely, but often fell between 30 and 240 days.

On average, regular employees and teachers with annual sick leave plans were eligible for nearly 13 days per year at 1 year of service. Average benefits increased only slightly with longer service. Police and firefighters had plans that varied somewhat by length of service, averaging 15.4 days at 1 year of service, and 20.6 days at 20 or more years of service. For police and firefighters who worked unusual schedules, sick leave days were adjusted to reflect a conventional 8 hour work schedule.

Three-fifths of workers had sick leave plans that did not specify a minimum length of service as a requirement for benefits. Where such service requirements were specified, 1 month was most common. Sick leave benefits were nearly always provided on the first day of illness, without any waiting period.

### **Sickness and accident insurance**

Twenty-one percent of all employees were protected by sickness and accident insurance against income losses due to short-term disabilities. By group, 23 percent of regular employees, 18 percent of police and firefighters, and 16 percent of teachers participated. Over four-fifths of partic-

ipants had their sickness and accident insurance fully paid by their employer (tables 25-27).

Sickness and accident insurance paid either a percent of employee earnings or, less commonly, a scheduled dollar amount. The percent of earnings was almost always fixed—typically 50 to 75 percent. Earnings-based plans often placed limits on the weekly benefit, commonly between \$120 and \$300 per week. Plans having dollar schedules nearly always specified a flat weekly amount (typically ranging from \$100 to \$250).

The maximum duration of payments for each disability was generally fixed, most typically at 26 weeks. Other common durations were 13 and 52 weeks.

Two-thirds of the employees with sickness and accident insurance had to meet service requirements to qualify for benefits. The most prevalent requirements were 1 month, 3 months, and 1 year of service.

Sickness and accident insurance, unlike sick leave, often requires a waiting period before benefits begin. When required, the most common waiting periods were 1 to 7 days. Waiting periods may be shortened or eliminated entirely for employees involved in an accident or hospitalized.

State and local government workers in New Jersey and New York were covered by mandatory State temporary disability insurance plans when government entities, such as schools, elected coverage. Both of these plans, which are at least partially employer financed, pay benefits based on a percent of the worker's earnings. Benefits were provided for up to 26 weeks and were limited to \$170 per week in New York and \$261 in New Jersey during 1990.<sup>11</sup> The State of Hawaii requires a minimum level of temporary disability income protection—55 percent of earnings to a maximum of \$255 per week 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 (tables 28-34). 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 time of disability. In most instances, the LTD payments take the form of a percent of predisability earnings.

Of the full-time employees covered by the survey, 27 percent had LTD coverage; one-third of those employees with coverage were required to contribute towards the cost of their plan. Of those with jointly financed LTD plans, one-third could choose from various options under a

<sup>11</sup> California and Rhode Island have State-sponsored temporary disability insurance plans, but these plans require no employer contribution and, thus, are not included in the survey.

“flexible benefits plan,” with employee contributions varying by the mix of benefits selected. (See chapter 7 for additional information on these plans, otherwise known as cafeteria plans.) Another one-third paid a composite rate that included premiums for at least one other insurance benefit. The remainder either contributed a monthly amount per \$100 of covered earnings, with the most prevalent rate between 40 cents and \$1 per \$100 of covered earnings,<sup>12</sup> or paid an amount that varied by earnings.

Service requirements were imposed upon over two-fifths of the LTD participants before they were covered by their plan. One-fifth of participants had service requirements of 1 to 6 months and one fourth had service requirements of 1 year or more. It was rare for LTD participants to be in plans that required an employee to have reached a certain age to be eligible for the benefit.

One-fifth of the full-time participants had to wait 3 months, and a third had to wait 6 months, after the disability occurred before beginning to receive LTD payments. For another quarter of participants, LTD benefits commenced after sick leave and sickness and accident insurance benefits ended.

Nearly 9 out of 10 participants received their LTD benefit as a fixed percent of predisability earnings. The most common benefit was 60 percent of monthly pay. Most of these plans set a limit on maximum monthly payments, commonly ranging between \$1,501 and \$7,500.

One fourth of the participants were in plans that imposed a maximum on all sources of disability income. Such ceilings affect benefits only if the amount payable from the LTD plan plus income from outside sources, such as rehabilitative employment and all Social Security payments, exceeded a specified percentage (most commonly 70 percent) of predisability earnings.

Survivor benefits, payable to an eligible dependent upon the death of a disabled employee, were available in plans covering 14 percent of the LTD participants. These benefits usually took the form of a lump-sum payment (most often equal to 3 times the monthly LTD benefit) or a percent of the monthly LTD benefit paid for a fixed number of months (generally not more than 6 months).

Plans that included coverage for disabilities due to mental illness covered about half of long-term disability plan participants. However, the majority of these had limits placed upon coverage. In most of these cases, benefits were provided for a specified period (usually 24 months) and then ceased unless the participant was institutionalized at the end of the limiting period.

<sup>12</sup> 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 19. Short-term disability coverage: Percent of full-time employees by participation in sickness and accident insurance plans and paid sick leave plans, State and local governments, 1990**

Type of plan	All employees	Regular employees	Teachers	Police and fire-fighters
Total .....	100	100	100	100
With short-term disability coverage <i>B</i>	95	95	97	96
Sickness and accident insurance only .....	1	1	-	( <sup>1</sup> )
Wholly employer financed .....	<i>D</i> 1	1	-	( <sup>1</sup> )
Paid sick leave only .....	<i>E</i> 74	72	81	79
Combined sickness and accident insurance/paid sick leave .....	<i>F</i> 20	22	16	17
Without short-term disability coverage .....	5	5	3	4

<sup>1</sup> 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 20. Paid sick leave: Percent of full-time employees by type of provision, State and local governments, 1990**

Provision	All employees	Regular employees	Teachers	Police and fire-fighters
Total .....	100	100	100	100
Provided paid sick leave .....	95	93	97	95
Sick leave provided on:				
An annual basis only <sup>1</sup> .....	92	92	95	81
A per disability basis only <sup>2</sup> .....	1	1	( <sup>3</sup> )	1
Both an annual and per disability basis .....	1	( <sup>3</sup> )	1	1
As needed basis <sup>4</sup> .....	1	( <sup>3</sup> )	( <sup>3</sup> )	11
Other basis <sup>5</sup> .....	( <sup>3</sup> )	( <sup>3</sup> )	( <sup>3</sup> )	-
Policy not available .....	( <sup>3</sup> )	( <sup>3</sup> )	( <sup>3</sup> )	( <sup>3</sup> )
Not provided paid sick leave .....	5	7	3	5

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

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

<sup>3</sup> Less than 0.5 percent.

<sup>4</sup> Plan does not specify maximum number of days.

<sup>5</sup> 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 21. Paid sick leave: Percent of full-time employees by sick leave provision, State and local governments, 1990**

Sick leave policy <sup>1</sup>	All employees	Regular employees	Teachers	Police and fire-fighters	Sick leave policy <sup>1</sup>	All employees	Regular employees	Teachers	Police and fire-fighters
Total .....	100	100	100	100					
Provided paid sick leave <sup>2</sup> .....	95	93	97	95	At 10 years of service —Continued				
Sick leave provided annually <sup>3</sup> .....	93	92	96	83	10 and under 15 days .....	62	63	65	41
At 1 year of service:					15 and under 30 days .....	22	22	19	32
Under 5 days .....	( <sup>4</sup> )	( <sup>4</sup> )	( <sup>4</sup> )	( <sup>4</sup> )	30 and under 60 days .....	1	( <sup>4</sup> )	1	4
5 and under 10 days .....	7	6	8	4	60 and under 120 days .....	( <sup>4</sup> )	( <sup>4</sup> )	-	1
10 and under 15 days .....	65	66	68	43	120 days or more .....	1	( <sup>4</sup> )	1	2
15 and under 30 days .....	19	18	18	30	At 15 years of service:				
30 and under 60 days .....	( <sup>4</sup> )	( <sup>4</sup> )	( <sup>4</sup> )	3	Under 5 days .....	( <sup>4</sup> )	( <sup>4</sup> )	( <sup>4</sup> )	-
60 and under 120 days .....	( <sup>4</sup> )	-	-	( <sup>4</sup> )	5 and under 10 days .....	6	6	9	2
120 days or more .....	( <sup>4</sup> )	( <sup>4</sup> )	( <sup>4</sup> )	( <sup>4</sup> )	10 and under 15 days .....	62	63	64	41
At 3 year of service:					15 and under 30 days .....	21	21	20	32
Under 5 days .....	( <sup>4</sup> )	( <sup>4</sup> )	( <sup>4</sup> )	-	30 and under 60 days .....	1	1	1	4
5 and under 10 days .....	7	6	10	2	60 and under 120 days .....	( <sup>4</sup> )	( <sup>4</sup> )	-	1
10 and under 15 days .....	64	65	66	43	120 days or more .....	1	( <sup>4</sup> )	1	2
15 and under 30 days .....	20	19	18	32	At 20 years of service:				
30 and under 60 days .....	1	( <sup>4</sup> )	1	4	Under 5 days .....	( <sup>4</sup> )	( <sup>4</sup> )	( <sup>4</sup> )	-
60 and under 120 days .....	( <sup>4</sup> )	( <sup>4</sup> )	( <sup>4</sup> )	( <sup>4</sup> )	5 and under 10 days .....	6	6	9	2
120 days or more .....	( <sup>4</sup> )	( <sup>4</sup> )	( <sup>4</sup> )	( <sup>4</sup> )	10 and under 15 days .....	62	63	64	41
At 5 years of service:					15 and under 30 days .....	21	21	20	31
Under 5 days .....	( <sup>4</sup> )	( <sup>4</sup> )	( <sup>4</sup> )	-	30 and under 60 days .....	1	1	1	4
5 and under 10 days .....	6	5	9	2	60 and under 120 days .....	( <sup>4</sup> )	( <sup>4</sup> )	-	1
10 and under 15 days .....	64	65	66	42	120 days or more .....	1	( <sup>4</sup> )	1	2
15 and under 30 days .....	20	20	18	32	Sick leave provided on a per disability basis <sup>5</sup> .....	1	1	1	3
30 and under 60 days .....	1	( <sup>4</sup> )	( <sup>4</sup> )	5	As needed basis <sup>6</sup> .....	1	( <sup>4</sup> )	( <sup>4</sup> )	11
60 and under 120 days .....	( <sup>4</sup> )	( <sup>4</sup> )	( <sup>4</sup> )	1	Other basis <sup>7</sup> .....	( <sup>4</sup> )	( <sup>4</sup> )	( <sup>4</sup> )	-
120 days or more .....	( <sup>4</sup> )	( <sup>4</sup> )	1	( <sup>4</sup> )	Policy not available .....	( <sup>4</sup> )	( <sup>4</sup> )	( <sup>4</sup> )	( <sup>4</sup> )
At 10 years of service:					Not provided paid sick leave .....	5	7	3	5
Under 5 days .....	( <sup>4</sup> )	( <sup>4</sup> )	( <sup>4</sup> )	-					
5 and under 10 days .....	6	6	9	2					

<sup>1</sup> Some plans grant sick leave at partial pay, either in addition or as an alternative to full-pay provisions. 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.

<sup>2</sup> The total is less than the sum of the individual breakdowns because some employees had annual and per disability plans.

<sup>3</sup> Employees earn a specified number of sick leave days per year. All days are assumed available to the employee immediately upon completion of the described length-of-service interval.

<sup>4</sup> Less than 0.5 percent.

<sup>5</sup> Employees earn a specified number of sick leave days for each illness or disability.

<sup>6</sup> Plan does not specify maximum number of days.

<sup>7</sup> 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 22. Paid annual sick leave: Average number of days at full pay for full-time participants, State and local governments, 1990**

Item	All participants	Regular participants	Teachers	Police and fire-fighters
Paid annual sick leave <sup>1</sup> by length of service:				
At 1 year .....	12.6	12.6	12.2	15.4
At 3 years .....	12.8	12.7	12.4	16.0
At 5 years .....	13.1	12.9	12.9	16.7
At 10 years .....	13.5	13.2	13.1	18.6
At 15 years .....	13.7	13.4	13.3	19.8
At 20 years <sup>2</sup> .....	13.8	13.5	13.4	20.6

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

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

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

**Table 23. Paid annual sick leave:<sup>1</sup> Average number of days at full pay for full-time participants by sickness and accident insurance coordination, State and local governments, 1990**

Item	All participants	Regular participants	Teachers	Police and fire-fighters
<b>At 1 year of service:</b>				
With sickness and accident insurance .....	12.1	12.3	11.1	13.4
Without sickness and accident insurance .....	12.8	12.7	12.5	15.9
<b>At 3 years of service:</b>				
With sickness and accident insurance .....	12.2	12.5	11.1	13.5
Without sickness and accident insurance .....	13.0	12.8	12.7	16.7
<b>At 5 years of service:</b>				
With sickness and accident insurance .....	12.3	12.6	11.2	13.5
Without sickness and accident insurance .....	13.4	13.1	13.3	17.5
<b>At 10 years of service:</b>				
With sickness and accident insurance .....	12.4	12.7	11.2	13.5
Without sickness and accident insurance .....	13.8	13.4	13.5	19.8
<b>At 15 years of service:</b>				
With sickness and accident insurance .....	12.4	12.7	11.2	13.5
Without sickness and accident insurance .....	14.1	13.6	13.7	21.3
<b>At 20 years of service<sup>2</sup></b>				
With sickness and accident insurance .....	12.4	12.7	11.2	13.5
Without sickness and accident insurance .....	14.2	13.7	13.8	22.3

<sup>1</sup> Paid sick leave plans with a specified number of days available each year.

<sup>2</sup> The average (mean) was virtually the same at longer years of service.

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

**Table 24. Paid annual sick leave:<sup>1</sup> Percent of full-time participants by unused sick leave policy and carryover provisions, State and local governments, 1990**

Unused sick leave policy and carryover provisions	All participants	Regular participants	Teachers	Police and fire-fighters
<b>Unused sick leave policy</b>				
Total .....	100	100	100	100
Carryover only .....	88	88	91	81
Cash-in only .....	( <sup>3</sup> )	( <sup>3</sup> )	( <sup>3</sup> )	( <sup>3</sup> )
Carryover and cash-in .....	9	10	6	14
Unused benefit lost .....	2	2	2	5
<b>Carryover provisions</b>				
Total .....	100	100	100	100
Unlimited accumulation .....	55	55	54	56
Limit on total number of days accumulated .....				
43	43	45	43	
Under 10 days .....	( <sup>3</sup> )	( <sup>3</sup> )	-	( <sup>3</sup> )
10 days .....	( <sup>3</sup> )	( <sup>3</sup> )	-	-
11 - 19 days .....	( <sup>3</sup> )	1	( <sup>3</sup> )	-
20 days .....	( <sup>3</sup> )	1	-	1
21 - 24 days .....	1	1	-	( <sup>3</sup> )
25 days .....	( <sup>3</sup> )	( <sup>3</sup> )	-	( <sup>3</sup> )
30 - 39 days .....	1	2	1	( <sup>3</sup> )
40 - 49 days .....	2	2	2	1
50 days .....	( <sup>3</sup> )	( <sup>3</sup> )	-	-
51 - 64 days .....	2	3	1	3
65 days .....	( <sup>3</sup> )	( <sup>3</sup> )	( <sup>3</sup> )	1
66 - 79 days .....	1	1	1	1
80 - 89 days .....	1	1	( <sup>3</sup> )	( <sup>3</sup> )
90 - 99 days .....	4	4	4	4
100 - 109 days .....	1	1	1	2
110 - 119 days .....	( <sup>3</sup> )	( <sup>3</sup> )	1	( <sup>3</sup> )
120 - 129 days .....	6	6	4	6
130 days .....	2	2	1	2
131 - 149 days .....	1	1	1	1
150 days .....	2	2	1	4
151 - 179 days .....	2	1	2	3
180 days .....	5	5	6	1
181 - 199 days .....	1	1	2	( <sup>3</sup> )
200 days .....	5	4	8	4
201 - 239 days .....	2	2	2	2
240 days .....	( <sup>3</sup> )	( <sup>3</sup> )	( <sup>3</sup> )	( <sup>3</sup> )
Over 240 days .....	3	2	4	5
Days not available .....	( <sup>3</sup> )	( <sup>3</sup> )	1	( <sup>3</sup> )
Other <sup>3</sup> .....	2	2	1	( <sup>3</sup> )
Data not available .....	( <sup>3</sup> )	( <sup>3</sup> )	-	( <sup>3</sup> )

<sup>1</sup> Paid sick leave plans with a specified number of days available each year.

<sup>2</sup> Less than 0.5 percent.

<sup>3</sup> Carryover provisions 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 25. Sickness and accident insurance: Percent of full-time participants by type and duration of payments, State and local governments, 1990**

Type of payment	Total	Maximum weeks of coverage								Varies by service	Data not available
		Total	Less than 13	13	14-25	26	27-51	52	Over 52		
<b>All participants</b>											
All types .....	100	100	1	12	6	48	1	14	13	5	( )
Fixed percent of earnings .....	84	84	( )	11	5	39	1	12	10	5	( )
50 .....	30	30	( )	-	1	16	( )	6	1	5	-
60 .....	16	16	-	( )	4	8	( )	2	2	( )	( )
67 .....	22	22	( )	11	( )	7	( )	2	1	-	-
70 .....	6	6	-	-	-	1	-	1	4	-	-
75 .....	2	2	-	-	-	-	-	2	-	-	-
Other percent .....	8	8	-	-	-	7	-	( )	2	-	-
Fixed weekly dollar benefit .....	13	13	( )	( )	( )	8	( )	1	3	( )	( )
Less than \$60 .....	1	1	( )	-	-	1	-	-	( )	-	-
\$60-\$79 .....	1	1	( )	-	-	( )	( )	1	-	-	-
\$80-\$99 .....	( )	( )	-	-	-	( )	-	-	-	-	-
\$100-\$119 .....	6	6	-	-	-	6	-	-	( )	-	-
\$120-\$139 .....	1	1	-	-	-	( )	-	-	( )	-	-
\$140-\$159 .....	( )	( )	-	-	-	( )	-	-	-	-	-
\$160-\$179 .....	( )	( )	-	-	-	( )	-	-	-	-	-
\$200-\$219 .....	2	2	-	( )	-	( )	-	1	1	-	-
\$220 or more .....	2	2	-	( )	( )	-	-	( )	1	( )	( )
Weekly dollar benefit varies .....	1	1	-	1	-	-	( )	-	( )	-	-
By earnings .....	1	1	-	1	-	-	-	-	( )	-	-
By service or length of disability ..	1	1	-	-	-	-	( )	-	( )	-	-
Other .....	1	1	-	( )	( )	( )	-	( )	( )	-	-
<b>Regular participants</b>											
All types .....	100	99	( )	15	7	45	1	11	14	7	1
Fixed percent of earnings .....	83	83	( )	14	6	35	( )	9	11	7	( )
50 .....	25	25	( )	-	1	13	-	4	1	7	-
60 .....	17	17	-	( )	5	9	( )	1	2	( )	( )
67 .....	26	26	( )	14	( )	8	( )	2	1	-	-
70 .....	7	7	-	-	-	2	-	1	5	-	-
75 .....	1	1	-	-	-	-	-	1	-	-	-
Other percent .....	6	6	-	-	-	4	-	( )	2	-	-
Fixed weekly dollar benefit .....	15	14	( )	( )	( )	9	( )	2	2	( )	( )
Less than \$60 .....	1	1	( )	-	-	1	-	-	( )	-	-
\$60-\$79 .....	1	1	( )	-	-	( )	( )	1	-	-	-
\$80-\$99 .....	( )	( )	-	-	-	( )	-	-	-	-	-
\$100-\$119 .....	7	7	-	-	-	7	-	-	( )	-	-
\$120-\$139 .....	( )	( )	-	-	-	( )	-	-	-	-	-
\$140-\$159 .....	( )	( )	-	-	-	( )	-	-	-	-	-
\$160-\$179 .....	( )	( )	-	-	-	( )	-	-	-	-	-
\$200-\$219 .....	2	2	-	-	-	1	-	1	( )	-	-
\$220 or more .....	3	2	-	( )	( )	-	-	( )	2	( )	( )
Weekly dollar benefit varies .....	2	2	-	1	-	-	( )	-	( )	-	-
By earnings .....	1	1	-	1	-	-	-	-	( )	-	-
By service or length of disability ..	1	1	-	-	-	-	( )	-	( )	-	-
Other .....	1	1	-	( )	( )	( )	-	( )	-	-	-
<b>Teachers</b>											
All types .....	100	100	1	3	4	53	4	25	11	-	-
Fixed percent of earnings .....	88	88	-	1	3	52	3	25	5	-	-
50 .....	50	50	-	-	2	32	1	15	-	-	-
60 .....	9	9	-	-	( )	2	-	4	3	-	-
67 .....	10	10	-	1	( )	2	1	3	1	-	-
70 .....	( )	( )	-	-	-	-	-	( )	( )	-	-

See footnotes at end of table.

**Table 25. Sickness and accident insurance: Percent of full-time participants by type and duration of payments, State and local governments, 1990—Continued**

Type of payment	Total	Maximum weeks of coverage								Data not available	
		Total	Less than 13	13	14-25	26	27-51	52	Over 52		Varies by service
<b>Teachers—Continued</b>											
75 .....	3	3	-	-	-	-	-	3	-	-	-
Other percent .....	15	15	-	-	-	15	-	-	-	-	-
Fixed weekly dollar benefit .....	8	8	1	1	-	1	-	-	6	-	-
Less than \$60 .....	1	1	-	-	-	( <sup>1</sup> )	-	-	1	-	-
\$60-\$79 .....	1	1	1	-	-	-	-	-	-	-	-
\$100-\$119 .....	2	2	-	-	-	1	-	-	1	-	-
\$120-\$139 .....	1	1	-	-	-	-	-	-	1	-	-
\$200-\$219 .....	2	2	-	1	-	-	-	-	2	-	-
\$220 or more .....	( <sup>1</sup> )	( <sup>1</sup> )	-	-	-	-	-	-	( <sup>1</sup> )	-	-
Weekly dollar benefit varies .....	1	1	-	-	-	-	1	-	-	-	-
By service or length of disability ..	1	1	-	-	-	-	1	-	-	-	-
Other .....	3	3	-	1	1	( <sup>1</sup> )	-	-	1	-	-
<b>Police and firefighters</b>											
All types .....	100	99	1	9	2	68	-	5	9	4	1
Fixed percent of earnings .....	81	80	1	9	2	53	-	3	6	4	1
50 .....	15	15	1	-	-	7	-	3	-	4	-
60 .....	32	31	-	1	2	28	-	-	-	-	1
67 .....	19	19	-	8	-	11	-	( <sup>1</sup> )	-	-	-
70 .....	5	5	-	-	-	3	-	( <sup>1</sup> )	2	-	-
Other percent .....	9	9	-	-	-	6	-	-	4	-	-
Fixed weekly dollar benefit .....	19	19	-	-	-	15	-	1	2	-	-
Less than \$60 .....	( <sup>1</sup> )	( <sup>1</sup> )	-	-	-	( <sup>1</sup> )	-	-	-	-	-
\$60-\$79 .....	1	1	-	-	-	-	-	1	-	-	-
\$80-\$99 .....	1	1	-	-	-	1	-	-	-	-	-
\$100-\$119 .....	10	10	-	-	-	9	-	-	1	-	-
\$140-\$159 .....	4	4	-	-	-	4	-	-	-	-	-
\$200-\$219 .....	( <sup>1</sup> )	( <sup>1</sup> )	-	-	-	-	-	( <sup>1</sup> )	-	-	-
\$220 or more .....	1	1	-	-	-	-	-	-	1	-	-
Other .....	( <sup>1</sup> )	( <sup>1</sup> )	-	-	-	-	-	( <sup>1</sup> )	-	-	-

<sup>1</sup> 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 26. Sickness and accident insurance: Percent of full-time participants with benefits based on percent of earnings formula by maximum weekly benefit, State and local governments, 1990**

Type of payment	Total	Maximum weekly benefit										No maximum
		Total with maximum	Less than \$100	\$100 to \$119	\$120 to \$139	\$140 to \$159	\$160 to \$199	\$200 to \$249	\$250 to \$299	\$300 to \$349	\$400 or more	
<b>All participants</b>												
Total .....	100	79	12	1	9	1	15	10	8	4	18	21
Fixed percent of earnings .....	100	79	12	1	9	1	15	10	8	4	18	21
50 .....	36	27	-	-	3	-	15	-	-	-	9	8
60 .....	20	16	-	-	6	-	-	1	3	1	4	4
67 .....	26	24	12	-	( <sup>1</sup> )	( <sup>1</sup> )	-	1	5	2	3	2
70 .....	7	2	-	1	-	( <sup>1</sup> )	( <sup>1</sup> )	-	-	( <sup>1</sup> )	1	5
75 .....	2	( <sup>1</sup> )	-	-	-	-	-	-	-	-	( <sup>1</sup> )	2
Other percent .....	10	10	-	-	-	-	-	8	-	-	2	( <sup>1</sup> )
<b>Regular participants</b>												
Total .....	100	76	16	1	8	( <sup>1</sup> )	13	7	9	4	17	24
Fixed percent of earnings .....	100	76	16	1	8	( <sup>1</sup> )	13	7	9	4	17	24
50 .....	30	21	-	-	2	-	13	-	-	-	7	9
60 .....	21	16	-	-	6	-	-	1	3	2	5	5
67 .....	31	29	16	-	( <sup>1</sup> )	( <sup>1</sup> )	-	1	6	3	3	2
70 .....	9	3	-	1	-	( <sup>1</sup> )	( <sup>1</sup> )	-	-	( <sup>1</sup> )	1	6
75 .....	2	-	-	-	-	-	-	-	-	-	-	2
Other percent .....	7	7	-	-	-	-	-	5	-	-	2	( <sup>1</sup> )
<b>Teachers</b>												
Total .....	100	87	-	-	9	2	26	22	6	( <sup>1</sup> )	23	13
Fixed percent of earnings .....	100	87	-	-	9	2	26	22	6	( <sup>1</sup> )	23	13
50 .....	57	52	-	-	9	-	26	-	-	-	17	5
60 .....	10	9	-	-	-	-	-	3	4	( <sup>1</sup> )	2	1
67 .....	11	8	-	-	-	2	-	2	2	-	2	3
70 .....	( <sup>1</sup> )	( <sup>1</sup> )	-	-	-	-	-	-	-	-	( <sup>1</sup> )	( <sup>1</sup> )
75 .....	4	1	-	-	-	-	-	-	-	-	1	3
Other percent .....	18	18	-	-	-	-	-	18	-	-	-	-
<b>Police and firefighters</b>												
Total .....	100	81	10	2	34	-	3	7	12	5	9	19
Fixed percent of earnings .....	100	81	10	2	34	-	3	7	12	5	9	19
50 .....	19	6	-	-	-	-	3	-	-	-	3	13
60 .....	40	39	-	-	34	-	-	-	3	2	( <sup>1</sup> )	1
67 .....	23	21	10	-	-	-	-	-	9	2	( <sup>1</sup> )	2
70 .....	6	3	-	2	-	-	-	-	-	1	( <sup>1</sup> )	3
Other percent .....	12	12	-	-	-	-	-	7	-	-	5	-

<sup>1</sup> 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 27. Sickness and accident insurance: Percent of full-time participants by length-of-service requirements for participation,<sup>1</sup> State and local governments, 1990**

Length-of-service requirement	All participants	Regular participants	Teachers	Police and fire-fighters
Total .....	100	100	100	100
With service requirement .....	63	63	69	42
1 month .....	18	15	32	5
3 months .....	17	19	13	15
4-5 months .....	6	6	3	7
6 months .....	4	4	3	2
1 year .....	18	19	15	13
Over 1 year .....	1	1	2	-
Without service requirement .....	35	35	31	55
Service requirement not determinable .....	2	2	( <sup>2</sup> )	3

<sup>1</sup> Length of time employees must be on the job before they are covered by a plan that is at least partially employer financed. There is frequently an administrative time lag between completion of the requirement and the actual start of participation. If the lag was 1 month or more, it was included in the service requirement. Minimum age requirements are rare.

<sup>2</sup> 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 28. Long-term disability insurance: Percent of full-time participants by method of determining payment, State and local governments, 1990**

Method	Total	With maximum coverage	Type of maximum provision			Without maximum coverage
			Plan maximum only <sup>1</sup>	Disability income maximum only <sup>2</sup>	Plan and disability income maximum	
<b>All participants</b>						
All methods .....	100	76	46	8	22	24
Fixed percent of earnings .....	88	66	36	8	22	23
Less than 50 percent .....	3	3	( <sup>3</sup> )	2	-	( <sup>3</sup> )
50 percent .....	16	5	2	( <sup>3</sup> )	2	11
60 percent .....	33	30	12	1	17	3
65 or 67 percent .....	28	21	18	1	3	7
70 percent .....	3	1	1	-	-	1
More than 70 percent .....	1	1	1	-	-	-
Other percent .....	4	4	-	4	-	-
Percent varies by earnings .....	8	8	8	-	-	-
Percent varies by service .....	2	2	2	-	-	-
Percent varies during disability .....	1	1	1	-	-	( <sup>3</sup> )
Scheduled dollar amount varies by earnings .....	( <sup>3</sup> )	( <sup>3</sup> )	( <sup>3</sup> )	-	-	-
Other <sup>4</sup> .....	1	-	-	-	-	1
<b>Regular participants</b>						
All methods .....	100	75	45	8	22	25
Fixed percent of earnings .....	91	66	36	8	22	25
Less than 50 percent .....	3	2	( <sup>3</sup> )	2	-	1
50 percent .....	20	6	2	1	3	14
60 percent .....	35	31	14	( <sup>3</sup> )	17	4
65 or 67 percent .....	24	20	17	1	2	5
70 percent .....	3	2	2	-	-	1
Other percent .....	4	4	-	4	-	-
Percent varies by earnings .....	6	6	6	-	-	-
Percent varies by service .....	3	3	3	-	-	-
Percent varies during disability .....	1	( <sup>3</sup> )	( <sup>3</sup> )	-	-	( <sup>3</sup> )
Scheduled dollar amount varies by earnings .....	( <sup>3</sup> )	( <sup>3</sup> )	( <sup>3</sup> )	-	-	-
Other <sup>4</sup> .....	( <sup>3</sup> )	-	-	-	-	( <sup>3</sup> )

See footnotes at end of table.

**Table 28. Long-term disability insurance: Percent of full-time participants by method of determining payment, State and local governments, 1990—Continued**

Method	Total	With maximum coverage	Type of maximum provision			Without maximum coverage
			Plan maximum only <sup>1</sup>	Disability income maximum only <sup>2</sup>	Plan and disability income maximum	
<b>Teachers</b>						
All methods .....	100	82	50	8	23	18
Fixed percent of earnings .....	85	67	36	8	23	17
Less than 50 percent .....	3	3	( <sup>3</sup> )	3	-	-
50 percent .....	9	4	3	-	1	5
60 percent .....	30	29	10	1	18	1
65 or 67 percent .....	36	25	21	( <sup>3</sup> )	4	11
70 percent .....	1	1	1	-	-	-
More than 70 percent .....	( <sup>3</sup> )	( <sup>3</sup> )	( <sup>3</sup> )	-	-	-
Other percent .....	5	5	-	5	-	-
Percent varies by earnings .....	13	13	13	-	-	-
Percent varies during disability .....	1	1	1	-	-	-
Other <sup>4</sup> .....	1	-	-	-	-	1
<b>Police and firefighters</b>						
All methods .....	100	50	30	2	18	50
Fixed percent of earnings .....	81	47	27	2	18	34
Less than 50 percent .....	( <sup>3</sup> )	-	-	-	-	( <sup>3</sup> )
50 percent .....	15	3	1	1	1	12
60 percent .....	31	28	10	1	16	3
65 or 67 percent .....	15	15	13	-	2	1
70 percent .....	20	1	1	-	-	19
Other <sup>4</sup> .....	15	-	-	-	-	15

<sup>1</sup> Includes flat dollar maximums and dollar maximums that vary by years of service.

<sup>2</sup> Includes ceilings on income during disability that limit the total amount payable from the long-term disability insurance plus other income, such as dependent Social Security and rehabilitative employment income.

<sup>3</sup> Less than 0.5 percent.

<sup>4</sup> Includes flat dollar amounts and scheduled percent of earnings varying by length of disability.

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

**Table 29. Long-term disability insurance: Percent of full-time participants with benefits based on percent of earnings formula by maximum monthly benefit, State and local governments, 1990**

Type of payment	Total	Total with maximum <sup>1</sup>	Maximum monthly benefit										No maximum payment
			\$1500 or less	\$1501-\$2000	\$2001-\$2500	\$2501-\$3000	\$3001-\$3500	\$3501-\$4000	\$4001-\$5000	\$5001-\$7500	\$7501-\$10,000	\$10,001 or more	
<b>All participants</b>													
Total .....	100	69	13	17	6	9	2	8	10	2	( <sup>2</sup> )	3	31
Fixed percent of earnings .....	89	58	6	15	5	8	1	8	10	2	( <sup>2</sup> )	3	31
Less than 50 percent .....	3	( <sup>2</sup> )	-	-	-	( <sup>2</sup> )	-	-	( <sup>2</sup> )	-	-	-	3
50 percent .....	17	5	1	2	( <sup>2</sup> )	1	( <sup>2</sup> )	-	1	-	-	-	12
60 percent .....	34	30	3	12	4	4	( <sup>2</sup> )	1	4	1	( <sup>2</sup> )	-	4
65 or 67 percent .....	28	21	2	1	1	3	( <sup>2</sup> )	6	4	1	-	3	7
70 percent .....	3	1	-	-	( <sup>2</sup> )	-	( <sup>2</sup> )	-	1	-	( <sup>2</sup> )	-	1
More than 70 percent .....	1	1	-	-	-	-	-	1	-	( <sup>2</sup> )	-	-	-
Other percent .....	4	-	-	-	-	-	-	-	-	-	-	-	4
Percent varies by earnings .....	8	8	7	( <sup>2</sup> )	-	-	( <sup>2</sup> )	-	-	( <sup>2</sup> )	-	-	-
Percent varies by service .....	2	2	-	2	-	-	-	-	-	-	-	-	-
Percent varies during disability ..	1	1	-	-	( <sup>2</sup> )	( <sup>2</sup> )	-	-	-	-	-	-	( <sup>2</sup> )
<b>Regular participants</b>													
Total .....	100	67	9	18	4	11	1	7	10	2	( <sup>2</sup> )	3	33
Fixed percent of earnings .....	91	58	4	15	4	11	1	7	10	2	( <sup>2</sup> )	3	33
Less than 50 percent .....	3	( <sup>2</sup> )	-	-	-	( <sup>2</sup> )	-	-	( <sup>2</sup> )	-	-	-	3
50 percent .....	20	5	( <sup>2</sup> )	2	( <sup>2</sup> )	1	( <sup>2</sup> )	-	1	-	-	-	15
60 percent .....	35	30	3	12	3	5	( <sup>2</sup> )	1	5	1	( <sup>2</sup> )	-	5
65 or 67 percent .....	24	19	1	1	( <sup>2</sup> )	4	( <sup>2</sup> )	4	4	1	-	3	6
70 percent .....	3	2	-	-	( <sup>2</sup> )	-	( <sup>2</sup> )	-	1	-	( <sup>2</sup> )	-	1
More than 70 percent .....	2	2	-	-	-	-	-	2	-	-	-	-	-
Other percent .....	4	-	-	-	-	-	-	-	-	-	-	-	4
Percent varies by earnings .....	6	6	5	( <sup>2</sup> )	-	-	( <sup>2</sup> )	-	-	( <sup>2</sup> )	-	-	-
Percent varies by service .....	3	3	-	3	-	-	-	-	-	-	-	-	-
Percent varies during disability ..	1	( <sup>2</sup> )	-	-	( <sup>2</sup> )	( <sup>2</sup> )	-	-	-	-	-	-	( <sup>2</sup> )
<b>Teachers</b>													
Total .....	100	74	22	14	8	5	3	9	7	2	( <sup>2</sup> )	4	26
Fixed percent of earnings .....	85	59	9	14	8	4	2	9	7	2	( <sup>2</sup> )	4	26
Less than 50 percent .....	3	( <sup>2</sup> )	-	-	-	( <sup>2</sup> )	-	-	-	-	-	-	3
50 percent .....	9	5	1	1	1	-	1	-	1	-	-	-	5
60 percent .....	30	29	4	11	5	2	1	( <sup>2</sup> )	3	2	( <sup>2</sup> )	-	2
65 or 67 percent .....	37	25	4	1	2	2	-	9	3	( <sup>2</sup> )	-	4	12
70 percent .....	1	1	-	-	( <sup>2</sup> )	-	1	-	-	-	-	-	-
More than 70 percent .....	( <sup>2</sup> )	( <sup>2</sup> )	-	-	-	-	-	-	-	( <sup>2</sup> )	-	-	-
Other percent .....	5	-	-	-	-	-	-	-	-	-	-	-	5
Percent varies by earnings .....	13	13	13	-	-	-	1	-	-	-	-	-	-
Percent varies during disability ..	1	1	-	-	1	1	-	-	-	-	-	-	-
<b>Police and firefighters</b>													
Total .....	100	57	4	17	7	4	4	3	13	2	-	3	43
Fixed percent of earnings .....	96	53	4	13	7	4	4	3	13	2	-	3	43
Less than 50 percent .....	( <sup>2</sup> )	-	-	-	-	-	-	-	-	-	-	-	( <sup>2</sup> )
50 percent .....	18	2	1	2	-	-	-	-	-	-	-	-	15
60 percent .....	36	31	4	11	7	-	1	-	7	2	-	-	5
65 or 67 percent .....	18	18	-	-	-	4	3	3	4	1	-	3	1
70 percent .....	24	2	-	-	-	-	-	-	2	-	-	-	22
Percent varies by service .....	4	4	-	4	-	-	-	-	-	-	-	-	-

<sup>1</sup> Maximum payment from plan before offsets are deducted. Excludes disability income maximum provisions, which do not restrict LTD payments unless the level of income guaranteed by the plan plus other nonoffsetting income exceeds a specified percentage of predisability earnings or flat dollar amount.

<sup>2</sup> 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 30. Long-term disability insurance: Percent of full-time participants by benefit waiting period,<sup>1</sup> State and local governments, 1990**

Length of waiting period	All participants	Regular participants	Teachers	Police and fire-fighters
Total .....	100	100	100	100
Less than 3 months .....	8	6	12	2
3 months .....	22	21	26	12
4-5 months .....	8	9	4	25
6 months .....	32	32	33	20
7-11 months .....	( <sup>2</sup> )	( <sup>2</sup> )	-	2
1 year or more .....	2	1	2	13
Varies by service <sup>3</sup> .....	25	27	21	21
Not determinable .....	3	4	2	6

<sup>1</sup> Length of time between onset of disability and beginning of LTD payments.

<sup>2</sup> Less than 0.5 percent.

<sup>3</sup> Benefits commence after expiration of paid sick leave and/or sickness and accident insurance benefits.

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

**Table 31. Long-term disability insurance: Percent of full-time participants by duration of benefits, State and local governments, 1990**

Duration	All participants	Regular participants	Teachers	Police and fire-fighters
Total .....	100	100	100	100
For life .....	6	7	4	7
To retirement age .....	12	10	16	3
Varies by age when disability occurs <sup>1</sup> .....	69	72	63	71
One-time reduction .....	25	28	21	17
Gradual reduction .....	44	44	42	54
Varies by type of disability <sup>2</sup> .....	4	4	4	3
Other <sup>3</sup> .....	7	5	9	15
Provision not determinable .....	2	1	4	-

<sup>1</sup> The duration of benefits may be reduced gradually according to an age schedule or reduced once at a specified age.

<sup>2</sup> Benefits for disabilities caused by accidents were usually paid for life; duration for illnesses was limited.

<sup>3</sup> Includes durations 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 32. Long-term disability insurance: Percent of full-time participants by length-of-service requirements for participation,<sup>1</sup> State and local governments, 1990**

Length-of-service requirement	All participants	Regular participants	Teachers	Police and fire-fighters
Total .....	100	100	100	100
With service requirement .....	44	50	31	51
1 month .....	7	9	2	9
2 months .....	2	1	1	14
3 months .....	2	2	2	4
4-5 months .....	1	( <sup>2</sup> )	1	-
6 months .....	7	9	2	10
7-11 months .....	( <sup>2</sup> )	( <sup>2</sup> )	-	-
1 year .....	11	14	4	9
Over 1 year and under 2 years .....	2	2	1	-
2 years .....	1	( <sup>2</sup> )	1	1
3 years .....	5	4	8	-
Over 3 years .....	7	6	8	4
Without service requirement .....	49	45	58	46
Service requirement not determinable .....	7	4	12	3

<sup>1</sup> Length of time employees must be on the job before they are covered by a plan that is at least partially employer financed. There is frequently an administrative time lag between completion of the requirement and the actual start of participation. If the lag was 1 month or more, it was included in the service requirement.

<sup>2</sup> 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 33. Long-term disability insurance: Percent of full-time participants by coverage for mental illness, State and local governments, 1990**

Item	All participants	Regular participants	Teachers	Police and fire-fighters
Total .....	100	100	100	100
With coverage for mental illness .....	50	54	43	41
Without limits .....	18	21	14	9
Benefits limited .....	32	33	29	32
Benefits provided only if institutionalized .....	1	2	1	1
Benefits provided only for limited period unless institutionalized .....	14	15	10	10
12 months .....	2	3	1	2
24 months .....	11	12	10	9
Other .....	( <sup>1</sup> )	1	-	-
Benefits provided only for limited period .....	17	16	18	20
12 months .....	1	1	2	-
24 months .....	15	14	16	18
Other .....	1	1	( <sup>1</sup> )	2
No coverage for mental illness .....	46	43	49	59
Coverage not determinable .....	5	3	8	-

<sup>1</sup> 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 34. Long-term disability insurance: Percent of full-time participants by provision for survivor benefits, State and local governments, 1990**

Type of annuity for surviving spouse	All participants	Regular participants	Teachers	Police and fire-fighters
Total .....	100	100	100	100
With survivor benefits .....	13	15	10	12
Lump sum payment .....	8	9	7	5
3 times monthly benefit .....	8	9	7	5
Percent of monthly benefit <sup>1</sup> .....	5	5	3	7
Less than 100 percent .....	1	1	( <sup>2</sup> )	-
100 percent .....	3	3	3	7
Over 100 percent .....	( <sup>2</sup> )	1	-	-
Other benefit <sup>3</sup> .....	( <sup>2</sup> )	( <sup>2</sup> )	-	-
No survivor benefits .....	84	83	86	88
Benefit not determinable .....	2	2	3	-

<sup>1</sup> Benefits are payable for a limited time period, typically 6 months.

<sup>2</sup> Less than 0.5 percent.

<sup>3</sup> Includes plans that pay any unpaid balance of an accrued benefit to a survivor.

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

# Chapter 4. Medical, Dental, and Vision Care

Medical care was one of the most prevalent benefits provided to full-time employees of State and local governments in 1990. Medical care benefits were provided to 93 percent of full-time employees, while dental care was provided to 62 percent of employees and vision care to 32 percent of employees. There was little difference in the extent of coverage within each of the three occupational groups.

## Medical Care

This section presents details of medical care benefits, including how frequently particular services were covered or limited. Other aspects examined are: Financing arrangements, cost containment features, employee contributions to plan premiums, requirements for plan participation, and coverage for retired workers.

### Coverage

All of the participants in medical care plans had coverage for such major categories of care as hospital room and board, physicians' visits in the hospital, surgery, and X-ray and laboratory services (table 35). With few exceptions, coverage included physicians' office visits, mental health conditions, and out-of-hospital prescription drugs. Virtually all participants were covered by inpatient alcohol and drug detoxification benefits. Coverage was somewhat less extensive for inpatient and outpatient substance abuse rehabilitation benefits.

Among benefits less frequently provided were hearing care (27 percent), routine physical exams (36 percent), well-baby care (39 percent), and immunizations and inoculations (33 percent).

### Funding

In 1990, three-fifths of full-time medical plan participants in State and local governments were covered by a traditional fee-for-service medical plan (table 36). These plans pay for specific medical procedures as expenses are incurred. There are three major arrangements for financing these benefits: Self-insured plans, commercially insured plans, and Blue Cross/Blue Shield plans. Blue Cross/Blue Shield plans covered just over one-half of the

fee-for-service plan participants in State and local governments. Self-insured plans (where the plan sponsor—typically the employer—bore the financial risk for making plan payments) covered nearly one-fourth of fee-for-service participants, while commercially insured plans covered about one-seventh of participants. In addition, a small proportion of fee-for-service participants had their benefits financed by more than one source.

Coverage by alternative health care providers, such as health maintenance organizations (HMO's) and preferred provider organizations (PPO's) accounted for 39 percent of medical care participants. These types of health care plans have grown in prevalence in recent years.

Preferred provider organizations covered 17 percent of full-time medical care participants in State and local governments in 1990. PPO's offer a higher benefit for services rendered by designated health care providers (such as hospitals and physicians), although participants are free to choose any provider. Designated providers agree in advance to a given fee schedule. (See chart 1.)

Twenty-two percent of medical care participants covered by the survey were enrolled in health maintenance organizations. HMO's provide a prescribed set of benefits to enrollees for a fixed payment. The HMO thus bears the risk associated with delivering care.<sup>13</sup> HMO's are classified in this survey as either the group/staff type, with services provided in central facilities, or as individual practice associations (IPA's), with providers working from their own offices. The following tabulation shows the percent of HMO participants by type of plan for State and local governments in 1990:

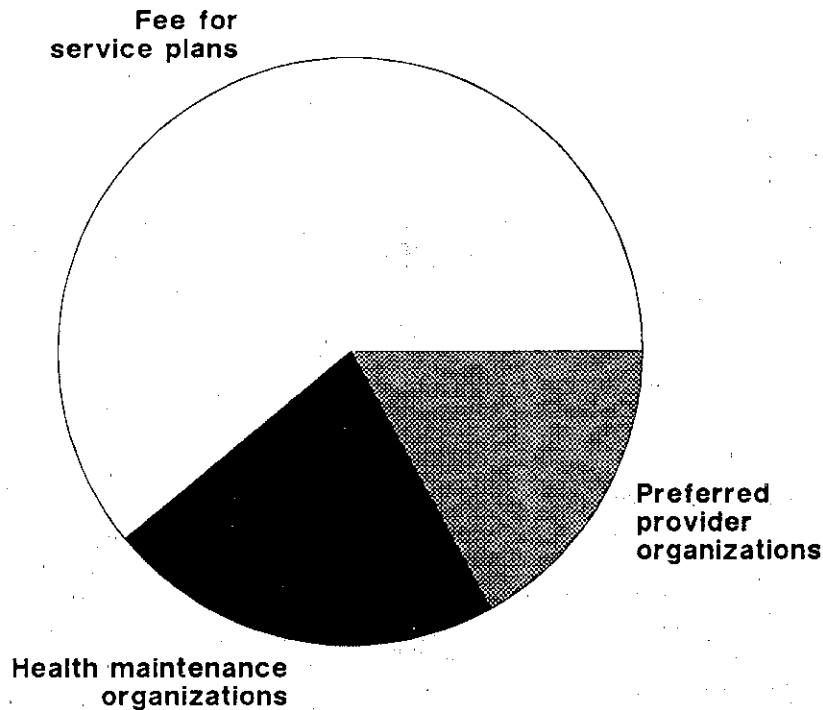
<i>Plan type</i>	<i>Percent of participants</i>
Group/staff	43
Individual practice association	52
Combination	4

One-tenth of the HMO participants had an open enrollment option. In such plans, an enrollee has the ability to use health care providers outside of the HMO, although reimbursement of expenses is less than if the HMO providers are used.

<sup>13</sup> 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.



**Chart 1. Medical care benefits: Percent of full-time participants by type of fee arrangement, State and local governments, 1990**



### **Payment arrangements**

Medical plan provisions were examined to determine the extent of coverage for each type of medical service. In this survey, each category of medical care is classified under one of four payment arrangements: Full coverage, coverage with internal (separate) limitations only, coverage with overall limitations only, or coverage with internal and overall limitations (table 35).

Full coverage for HMO's indicates no restrictions on the number of days of care, no dollar maximums on benefits, and no required payments by the covered individual. In a fee-for-service plan, when a benefit is covered in full, all expenses up to the usual, reasonable, and customary charges, or the prevailing hospital semiprivate room rate, are borne by the plan.

Separate limitations restrict the level of coverage for a particular type of medical service, independent of other plan provisions. An example of a separate limit is a maximum of 45 days of hospitalization per year for mental health care.

Overall limitations are deductibles, coinsurance requirements, maximum benefit levels, or other provisions

that apply to many, if not all, types of medical care provided under the plan. Examples of overall limits include a requirement that the employee pay the first \$100 of expenses in a year, regardless of the source of the expense, before the plan will begin payments (deductible); a requirement that the employee pay 20 percent of covered expenses beyond the deductible (coinsurance); a \$1,000 limit on the amount the employee must pay, after which the plan pays 100 percent of covered expenses (maximum out-of-pocket expense); and a lifetime ceiling on plan payments of \$1 million (maximum). Plans often apply overall limits to protect against high risks posed by a small proportion of participants.

Separate and overall limitations may apply to the same category of care. For example, a plan may impose a separate limit of 120 days on fully paid hospital room and board coverage, with protection beyond that point subject to overall plan coinsurance rates and maximum dollar limitations.

For most medical care services examined by the survey, payment arrangements were determined. The extent of full coverage, internal, overall, and combined limitations varied widely by medical care service.

For those medical care participants with hospital room and board benefits, 43 percent had coverage subject to both internal and overall limits (table 35). The two most common types of internal limits observed for hospital room and board benefits were a limit on the number of days per confinement for which the plan will provide benefits and separate deductibles for each hospital admission. When per confinement deductibles were imposed, they were generally between \$50 and \$200. After internal limits are satisfied, coverage is continued subject to overall plan limitations.

A relatively high proportion of participants had inpatient and outpatient surgery as well as diagnostic X-ray and laboratory charges covered in full (49 percent for inpatient surgery, 53 percent for outpatient surgery, and 44 percent for diagnostic X-ray and laboratory services). Other benefits such as hospital room and board and in-hospital physician services also had a high incidence of full coverage. The relatively high level of participation in HMO's and PPO's in the survey accounts, at least in part, for the significant percent of covered-in-full payment arrangements. Under HMO's, 88 percent of participants had their hospital room and board benefits covered in full while 4 percent of the non-HMO participants had unlimited coverage for room and board charges.

Forty percent of medical care participants with prescription drug coverage had benefits subject to internal limits only. This was the result of insurers increasingly offering medical plans with separate and distinct prescription drug riders. For example, under a rider, the enrollee may pay a small copayment per prescription, usually between \$3 and \$7.

Physicians' office visits were generally subject to overall limits only, usually provided by traditional fee-for-service plans. Under such an arrangement, the employee must satisfy the deductible and meet the coinsurance requirement before any benefits are paid.

### Overall limitations

Plans with overall limitations nearly always require a participant to meet a specified deductible before eligibility for benefit payments. This approach is designed to discourage unnecessary use of medical services. In 1990, 74 percent of full-time participants in State and local governments were in plans with overall limits (tables 37-41). Ninety-one percent of these participants were subject to an annual flat-dollar deductible. Of these, 19 percent of participants were in plans where the deductible did not apply to hospital room and board expenses.

The most prevalent individual annual deductible was \$100, imposed upon 37 percent of the participants subject to overall limits. A deductible of \$200 was also common. The average annual deductible in 1990 was \$167 for all workers. The average deductible was the lowest for police and firefighters (\$151), while teachers averaged \$166 and regular participants averaged \$169.

When a medical care plan covered an employee and family, plans often specified limits on the number of individual deductibles a family had to meet. After this family deductible is met, no additional individual deductibles apply during that year. Eighty-two percent of participants in plans with overall limitations specified a family limit on deductibles. Most commonly, family deductibles were limited to two or three individual deductibles.

Once the deductible has been met, the plan almost always pays a specified percent of covered medical expenses (coinsurance), with the employee paying the remainder. Seventy-one percent of the participants with overall limitations were in plans where the coinsurance rate was 80 percent; a coinsurance rate of 90 percent was the next most common. Thirteen percent of participants were in plans where the coinsurance rate was different for hospital room and board charges than for other expenses. In such cases, the percent of hospital expenses paid by the plan was generally higher, often 100 percent.

Seven out of eight full-time participants subject to overall limitations were in plans where the coinsurance increased to 100 percent after the individual paid out a specified dollar amount of covered expenses (maximum out-of-pocket expense). Seven-tenths of participants with overall limits had an annual individual out-of-pocket expense maximum of less than \$1,250. Maximum out-of-pocket ceilings were also specified for family expenses in plans covering slightly over two-fifths of participants with overall limitations. The annual out-of-pocket expenses maximum for individual plan participants averaged \$992. Averages ranged from \$1,060 for teachers to \$977 for regular employees and \$855 for police and firefighters. For a family, the annual maximum averaged \$1,859 for all participants.

Plans that required an annual deductible and placed a maximum on out-of-pocket expenses covered 82 percent of the participants subject to overall limitations. The sum of these two items represents the total that the plan requires an individual to pay for covered medical expenses in a calendar year. In 1990, the annual deductible plus the annual out-of-pocket expense maximum averaged \$1,152 per individual.<sup>14</sup>

Plans with overall limitations often place a ceiling on the amount payable by the plan, usually a lifetime maximum. In 1990, three-fourths of the participants in plans with overall limitations were affected by a lifetime maximum only. A maximum of \$1 million applied to the majority of these participants. A small proportion of participants were subject to a lifetime maximum of greater than \$1,000,000; the average of all maximums was \$858,646. Plans that did not impose a maximum on plan payments covered one-fifth of the participants subject to overall limitations.

<sup>14</sup> This average is slightly different from the sum of the individual averages because some participants have only an annual deductible or only an annual maximum out-of-pocket expense limitation. The combined average includes only those participants with both provisions.

## Hospital coverage

All medical plan enrollees covered by the survey had benefit provisions for hospital room and board charges (table 42). Nearly two-fifths of full-time participants were in plans where hospital room and board expenses were covered at a percentage of the semiprivate rate, frequently 80 percent. In these types of plans, the individual was typically subject to a yearly deductible before the percentage rate would go into effect. One-fourth of participants had hospital room and board expenses covered at the full semiprivate room rate for a limited period, followed by a percentage of the semiprivate room rate, almost always 80 percent.

One-third of participants with hospital room and board coverage were in plans in which expenses were reimbursed for the full semiprivate room rate for an unlimited number of days. Using the semiprivate room rate as a basis for plan payments furnishes enrollees some protection against rising hospital costs.

## Alternatives to hospitalization

To help hold down the costs of medical care, a number of plans provide coverage for less expensive alternatives to a hospital stay. These alternatives include extended care facilities, home health care, and hospices (table 35).

Coverage for stays in an extended care facility was available to 79 percent of full-time participants. It was more likely for HMO participants to have extended care coverage (90 percent) than for non-HMO participants (76 percent). In addition, 26 percent of HMO participants had unlimited coverage at no employee expense for stays in extended care facilities, compared with 2 percent for non-HMO's. Extended care facilities provide skilled nursing care, rehabilitation, and convalescent services to patients requiring less intensive treatment than would otherwise be provided in a hospital.

Home health care, providing skilled nursing care to patients through various nursing services in their own homes, was available to 82 percent of full-time participants. Home health care benefits were provided to virtually all HMO participants (98 percent); these benefits were provided less extensively to non-HMO participants (78 percent). The higher incidence of coverage for home health care benefits in HMO's is related to the fact that federally qualified HMO's are required to provide this benefit. When home health care benefits were provided in HMO's, the overwhelming majority of participants had full coverage; in contrast, full coverage was quite rare in non-HMO's.

Plans often limited the duration of stays in an extended care facility and the number of home health care visits. For example, coverage in an extended care facility is commonly limited to 60 days per confinement while home health care services are frequently restricted to 100 visits per year.

Coverage for another alternative to hospitalization, hospice care, was provided to one-half of full-time participants. A hospice offers nursing care and psychological support to terminally ill patients, usually defined as having 6 months or less to live. Plans often placed ceilings on maximum dollar amounts payable during a hospice stay.

## Surgical coverage

Virtually all participants had medical plans that based payments for in-hospital surgery on the "usual, customary, and reasonable" (UCR) charges for the particular procedure performed (tables 43-45).<sup>15</sup>

Forty-nine percent of participants with inpatient surgical coverage were covered for the full UCR charges. Forty-three percent of participants were covered at a specified percentage rate, usually after any required overall plan deductible. When the participants were subject to a specific percentage rate, 80 percent was observed in the majority of cases.

In-hospital surgery was covered according to a schedule establishing a maximum amount payable for each procedure for less than one-tenth of full-time enrollees. Charges exceeding the scheduled maximums, however, were generally covered, subject to the plan's overall deductible and coinsurance.

Eighty-six percent of participants were in plans where outpatient surgery was covered in an identical manner to in-hospital surgery, whether in full, a percent of UCR charges, or subject to a schedule of maximum payments. For those participants with different coverage for outpatient surgery, outpatient services were often reimbursed at a higher coinsurance rate, typically 100 percent.

Forty-three percent of all enrollees in plans with surgical benefits had to satisfy a deductible for in-hospital procedures. In contrast, when surgery was obtained on an outpatient basis, 32 percent of the participants with surgical care benefits had a deductible requirement. Generally, when deductibles are not applicable for in-hospital surgery, neither are they applicable for outpatient procedures.

In fee-for-service plans, second surgical opinion provisions were applicable to seven-tenths of participants with inpatient surgical benefits. The majority of these plan enrollees had incentives for obtaining second opinions, generally applying only to selected procedures. The most prevalent incentive was to reduce the coinsurance rate if a second opinion was not sought.

Second surgical opinion provisions are rare in HMO's. HMO's by their very nature have inherent cost containment mechanisms. As such, built-in forms of utilization review, including second surgical opinions, are automatically provided.

<sup>15</sup> 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.

The medical care plans examined in the survey treated maternity charges like other surgical charges. Slightly less than one-fifth of the participants were in plans that did not provide maternity coverage for dependent children, except where complications from pregnancy developed.

### **Mental health coverage**

Mental health coverage, though available to nearly all full-time State and local government participants, was commonly more limited than coverage for other illnesses (table 46). Of the medical care participants with mental health benefits, 83 percent had less hospital coverage for mental illness than for other ailments. Plans commonly limited 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)<sup>16</sup> and sometimes imposed a separate, lower, maximum on covered hospital expenses (such as a lifetime maximum of \$50,000 on all mental health benefits).

Even more restrictive was coverage for mental health care outside the hospital (psychiatric office visits). Nearly all participants with mental health care coverage were subject to special limits for outpatient care in 1990. Outpatient mental health care was commonly covered for fewer visits per year than other outpatient services, subject to special maximum dollar limits on annual payments, and covered at a coinsurance rate of 50 percent rather than the usual 80 percent paid by plans for other illnesses. Also, outpatient mental health care expenses often could not be used to meet the employee's maximum out-of-pocket expense limitation. Therefore, reimbursement for these expenses did not increase to 100 percent even when the out-of-pocket expense limitation was met.<sup>17</sup>

### **Alcohol and drug abuse treatment**

Alcohol and drug abuse treatment benefits covered nearly all full-time medical participants in State and local governments (tables 47-49). Seven out of 8 participants with alcohol benefits had their coverage treated the same as those for drug abuse treatment. Benefits provided under substance abuse care included both detoxification and rehabilitation. Detoxification involves supervised care by medical personnel designed to reduce or eliminate the symptoms of chemical dependency. Rehabilitation is designed to provide a variety of services intended to alter the behavior of substance abusers. Such services are generally provided once detoxification has been completed.

<sup>16</sup> In some plans, a limited number of days of mental health care in the hospital were covered at full semiprivate rate. After these limits were reached, mental health care was then subject to overall plan limits such as deductibles and coinsurances.

<sup>17</sup> A detailed examination of mental health care provisions in employer-provided medical care plans is provided by Allan P. Blostin in "Mental Health Benefits Financed By Employers," *Monthly Labor Review*, July 1987, pp. 23-27.

While virtually all participants covered by alcohol abuse treatment benefits were eligible for inpatient (in-hospital) detoxification, four-fifths received inpatient rehabilitation coverage. (Detoxification is generally considered medically necessary, and thus it is included in nearly all medical plans. There is a greater tendency to exclude inpatient rehabilitation, because it requires less constant and less immediate care.) Outpatient alcohol abuse treatment, generally rehabilitative care, was available to three-fourths of participants with alcoholism coverage. Coverage patterns were similar for drug abuse treatment benefits.

As was true with mental health care, plans were more restrictive in covering substance abuse treatment than other illnesses.<sup>18</sup> Participants were more than twice as likely, however, to have inpatient detoxification treated the same as any other inpatient confinement (38 percent) than to have inpatient rehabilitation covered the same as any other illness (15 percent). Eight percent of the participants with alcoholism treatment coverage had outpatient care treated the same as other conditions.

Specific limitations for substance abuse treatment most commonly included restrictions on the number of days of inpatient hospital care per year, the number of outpatient visits per year, reduced coinsurance levels for outpatient treatment, and maximum dollar amounts per year or per lifetime. A typical limitation on inpatient care was 30 days per year. Similarly, outpatient care might be restricted to 20 or 30 visits per year. Dollar maximums were often combined between inpatient and outpatient care, with \$50,000 per lifetime a common limit. Finally, limitations on days and dollars were often combined for alcohol and drug abuse care.<sup>19</sup>

### **Health maintenance organizations**

Health maintenance organizations provide a fixed set of medical benefits for a prepaid fee. Enrollees receive care free of charge or are required to pay a small copayment per procedure. For example, one-half of HMO participants were required to pay a copayment, typically \$5 or more per visit, for physicians' office services (table 50). Most of the remaining participants received coverage in full.

Out-of-hospital prescription drug benefits were available to 91 percent of HMO participants, and slightly over seven-tenths had to pay a copayment per prescription, commonly between \$3 and \$7. Finally, extended care treatment facility benefits were also almost always

<sup>18</sup> 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 type of illness is greater than 30 days per year, that plan contains separate, more restrictive, limits.

<sup>19</sup> For a 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.

provided to HMO participants, most commonly with a limit on the number of days for which care was available.

### **Cost containment**

In addition to data on the extent of coverage for specific medical services, the survey looked at the availability of medical plans with either benefit management programs, managed care plans, or review boards. The goal of these programs is to make sure that the services rendered are medically necessary and provided in the most appropriate medical setting. These programs developed at least partly in response to the rapid rise in medical care costs during the 1980's.

Some advanced managed care programs can consist of four or more features: Pre-admission review of all hospital admissions for non-emergency or non-maternity 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 certain selected procedures.

Among the features studied in 1990, one-third of fee-for-service participants had their care subject to utilization review, compared to one-half of preferred provider organization participants (table 51). Utilization review is the process of reviewing the appropriateness and quality of care provided to patients. More generous benefit provisions for prehospitalization testing, a means of decreasing the length of hospitalization, covered slightly less than one-half of the fee-for-service participants. For prehospitalization testing, PPO enrollees were covered in a manner similar to coverage for fee-for-service participants.

Some managed care programs may consist of only one or two cost containment provisions, such as mandatory second surgical opinions and pre-admission certification. Sixty-three percent of the fee-for-service participants were required to get pre-authorization certification before being admitted to a hospital. Less common cost containment features in fee-for-service plans included incentives for the employee to audit hospital bills and incentives for child deliveries in lower cost birthing centers, rather than in hospitals.

Increasingly, health maintenance organizations may require a separate deductible for hospital admission to discourage unnecessary hospitalization. These deductibles were most commonly between \$50 and \$200 per hospital admission. In 1990, one-tenth of HMO participants in State and local governments had a separate hospital admission deductible.

Finally, some cost containment measures encouraged alternative means of obtaining prescription drugs. One-fifth of fee-for-service participants received higher reimbursement for obtaining generic rather than brand name prescription drugs. Mail order drugs were available to fewer than one-tenth of participants. In such arrangements,

participants often receive a higher reimbursement or are charged less for mail order drugs than for drugs purchased over the counter.

### **Other medical benefits**

The 1990 survey measured the incidence of several other services provided through medical care plans (table 52). For example, 36 percent of medical care participants were in plans that covered at least some of the costs for routine physical examinations and 32 percent had at least partial coverage for organ transplants. HMO's nearly always included coverage for hearing care, physical examinations, well-baby care, and immunizations and inoculations. The main reason for such a high incidence of these services is that HMO's are required to include these benefits to qualify under the Health Maintenance Organization Act of 1973, as amended.<sup>20</sup>

### **Employee contributions**

Sixty-two percent of full-time participants in State and local governments had their individual medical coverage wholly financed by their employers in 1990. Thirty-five percent of participants received fully paid family coverage (tables 53 - 55).

Data on the amount an employee paid for medical benefits occasionally were not available because a single payroll deduction applied to both medical care and one or more other benefits. Where the amount was reported, employee premiums for individual and family coverage averaged \$26 and \$118 a month. Most of the variation among the occupational groups occurred in the premium for family coverage. Teachers had the highest average monthly premium for family coverage (\$142), while police and firefighters had the lowest (\$102).

Employee medical care premiums showed some variation by type of plan. Thirty-nine percent of full-time participants in HMO's were required to pay for single coverage while 60 percent shared in the cost for family coverage, compared to 37 percent and 66 percent, respectively, for non-HMO's. The average premiums for individual and family coverage were higher for participants in non-HMO's than for those in HMO's; for example, average employee premiums for family coverage in non-HMO's were \$11 per month higher than in HMO's.

Of employees required to pay toward the cost of their medical care coverage in 1990, 30 percent could do so with pretax dollars. These employees had the advantage of reducing their taxable income while purchasing medical coverage. Pretax payments may be required or optional, and are offered as part of a flexible benefits arrangement or reimbursement account.

<sup>20</sup> Under this act, an HMO must provide certain coverage, such as home health care, physical examinations, and children's eye and ear examinations. Under certain circumstances, employers may be required to offer employees medical care coverage through federally qualified HMO's.

## Participation requirements

Medical care plans typically required that only a short eligibility period, if any, be served by new employees before coverage began (table 56). Just under one-half of medical care plan participants were allowed to join a plan immediately upon being hired. For participants required to complete a minimum length of service, the required period was usually 3 months or less. For one-third of participants, the service requirement was not determinable, usually because plan documents (typically prepared by a health coverage provider) did not include the employer's eligibility provisions.

## 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.<sup>21</sup> The survey of State and local governments focused on coverage for retired employees that was financed wholly or partly by the employer (table 57-58).

Of the medical care participants in the survey, 58 percent worked for governments which financed, at least in part, medical care protection after retirement. The vast majority of workers would receive post retirement coverage regardless of their age. Thirty-one percent of the workers in plans with employer-financed post retirement medical coverage did not have to meet any specific eligibility requirements. Where an eligibility requirement was imposed, the requirement was usually either a stated length of service or qualification for the company pension plan.

The level of medical care coverage for all retirees was generally the same as for active workers. Although benefit provisions were reduced for some retirees upon reaching age 65, more commonly there was no change in benefit levels apart from coordination with Medicare.

## Dental Care

Dental care benefits were available to three-fifths of full-time employees in State and local governments in 1990 (tables 59-64). Dental care may be offered as 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,

<sup>21</sup> The 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.

as well as a separate dental plan that can accompany any medical plan. Just under one-fifth of all dental care participants were required to contribute toward the cost of their individual dental coverage, and two-fifths were required to contribute for family coverage.<sup>22</sup>

Where dental benefits are included in a single plan with medical care benefits, it was not possible to distinguish which portion of the employee's premium, if applicable, went toward dental coverage. Employee contribution data were examined in stand-alone dental plans, that is, those offered separately from medical plans. When such plans required an employee premium, it was typically under \$10 per month for individual coverage and under \$25 per month for family coverage.

Eighty-three percent of participants covered by dental care plans received benefits through a fee-for-service plan, which reimburses patients or providers only after services are received. Such plans were most commonly self-insured or obtained through a commercial insurer. The remaining participants had their dental benefits provided through either a health maintenance organization or a preferred provider organization option.

Dental plans typically cover preventive and restorative services, and seven-tenths of participants were in plans that also covered orthodontic expenses, at least for children. Preventive care typically includes dental examinations, prophylaxis (cleaning), and X-rays. Restorative procedures include fillings, periodontal care, endodontic care, prosthetics, inlays, and crowns.<sup>23</sup>

Dental payments were generally based on a proportion of the usual, customary, and reasonable charge for a procedure. The proportion covered by a plan often depended on the type of procedure performed. Less costly procedures such as examinations and X-rays were usually covered at 100 percent. Fillings, surgery, endodontics, and periodontics were more likely to be covered at 80 percent. The most expensive procedures—inlays, crowns, prosthetics, and orthodontia—were often covered at 50 percent of the usual, customary, and reasonable charge.

One-seventh of dental plan participants were offered reimbursement based on a schedule of cash allowances for both preventive and restorative services. In this type of arrangement, each procedure is subject to a specified maximum dollar amount that can be paid to the participant or dentist. Orthodontia care was rarely subject to this type of schedule. Incentive schedules were rarely found in the survey. Under this arrangement, the percent of dental

<sup>22</sup> For tabulation purposes, plans that provided only preventive dental care benefits were not included as having full dental care coverage. Data for preventive dental care benefits are found in table 52.

<sup>23</sup> 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.

## Vision Care

expenses paid by the plan increases each year if the participant is examined regularly by a dentist. Plans requiring a copayment, after which benefits were paid in full, were also observed. Thirteen percent of the dental care participants were required to pay a copayment for such major services as crowns and prosthetics; copayments were less frequently required for most other services. Copayments were typically \$5 or \$10 per procedure for preventive care, while higher copayments often applied to major dental services.

One-half of dental participants were in plans that specified a deductible amount before any benefits were paid by the plan. The most common deductibles were \$25 or \$50 a year. A few plans required participants to pay a deductible (usually \$50) only once while a member of the plan, rather than every year.

Plans that limited the amount of payment each year by specifying an annual maximum benefit covered 76 percent of dental plan participants. The most common limit was \$1,000 per year. The majority of participants with coverage for orthodontic services had benefits subject to separate lifetime maximums, commonly \$1,000. In 1990, the average lifetime orthodontia maximum was \$1,025.<sup>24</sup>

Preauthorization clauses require participants to obtain authorization from the plan before undergoing expensive dental treatment. Fifty-four percent of the dental participants were in plans with this cost containment technique. Commonly, procedures costing more than \$100 or \$200 were subject to advance authorization.

<sup>24</sup> 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.

Vision care coverage was available to three-tenths of full-time employees in State and local governments in 1990. Three-fourths of participants covered by vision care provisions received benefits through a fee-for-service plan, while one-eighth were provided benefits through an HMO.

All participants eligible for vision benefits had coverage for eyeglasses (table 65).<sup>25</sup> With few exceptions, these participants were also covered for eye examinations and contact lenses.

Medical care plans generally placed limits on vision care benefits. Typically, vision care participants had their coverage for eyeglasses and contact lenses subject to a scheduled dollar allowance per benefit. Eye examinations were commonly subject to either a dollar maximum per visit or the participant was required to pay a small copayment per visit. Other plans required an employee copayment or offered a discount on the purchase of eyeglasses and contact lenses.

Two-fifths of the vision care participants had eye examinations paid in full. Eyeglasses were covered in full for one-third of the participants, while contact lenses were rarely covered in full.

Finally, just under one-fifth of the medical participants were covered for eye examinations only (table 52). This coverage was not part of a regular vision care plan. Such limited benefits were typically provided through the employee's HMO.<sup>26</sup>

<sup>25</sup> Eyeglasses must be included for there to be vision care coverage. If the only benefit provided is eye examinations, then for tabulation purposes, there would be no vision care coverage.

<sup>26</sup> 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 35. Medical care benefits: Percent of full-time participants by coverage for selected categories of care, State and local governments, 1990**

Category of medical care	Total	Care provided					Care not provided
		All	Covered in full	Subject to internal limits only <sup>1</sup>	Subject to overall limits only <sup>2</sup>	Subject to internal and overall limits	
<b>All participants</b>							
Hospital room and board .....	100	100	23	7	27	43	-
Hospitalization—miscellaneous services <sup>3</sup> .....	100	100	23	7	27	44	-
Extended care facility <sup>4</sup> .....	100	79	7	31	12	29	21
Home health care <sup>4</sup> .....	100	82	24	19	14	26	18
Hospice .....	100	49	13	13	9	14	51
Surgery							
Inpatient .....	100	100	49	1	42	8	-
Outpatient <sup>5</sup> .....	100	100	53	1	39	8	-
Physician visits							
In hospital .....	100	100	35	1	43	21	-
Office .....	100	100	15	18	55	13	( <sup>6</sup> )
Diagnostic X-ray and laboratory .....	100	100	44	2	41	12	-
Prescription drugs—nonhospital .....	100	92	4	40	38	10	8
Mental health care							
In hospital .....	100	99	3	29	5	63	1
Outpatient .....	100	95	( <sup>6</sup> )	29	2	64	5
Alcohol abuse treatment							
Inpatient detoxification <sup>7</sup> .....	100	99	12	21	9	56	1
Inpatient rehabilitation <sup>8</sup> .....	100	82	3	22	8	49	18
Outpatient rehabilitation <sup>8</sup> .....	100	76	3	28	5	40	24
Drug abuse treatment							
Inpatient detoxification <sup>7</sup> .....	100	98	12	21	7	58	2
Inpatient rehabilitation <sup>8</sup> .....	100	79	3	22	4	51	21
Outpatient rehabilitation <sup>8</sup> .....	100	74	3	24	3	45	26
<b>Regular participants</b>							
Hospital room and board .....	100	100	23	6	28	42	-
Hospitalization—miscellaneous services <sup>3</sup> .....	100	100	23	6	28	42	-
Extended care facility <sup>4</sup> .....	100	79	7	32	12	28	21
Home health care <sup>4</sup> .....	100	82	24	19	14	25	18
Hospice .....	100	50	13	13	10	14	50
Surgery							
Inpatient .....	100	100	49	1	43	7	-
Outpatient <sup>5</sup> .....	100	100	53	1	39	7	-
Physician visits							
In hospital .....	100	100	35	1	44	20	-
Office .....	100	100	15	17	54	13	( <sup>6</sup> )
Diagnostic X-ray and laboratory .....	100	100	44	2	42	12	-
Prescription drugs—nonhospital .....	100	91	4	39	36	11	9
Mental health care							
In hospital .....	100	99	3	29	5	63	1
Outpatient .....	100	96	( <sup>6</sup> )	29	2	65	4
Alcohol abuse treatment							
Inpatient detoxification <sup>7</sup> .....	100	99	12	21	9	56	1
Inpatient rehabilitation <sup>8</sup> .....	100	84	3	22	8	50	16
Outpatient rehabilitation <sup>8</sup> .....	100	78	3	29	5	41	22
Drug abuse treatment							
Inpatient detoxification <sup>7</sup> .....	100	98	11	21	7	58	2
Inpatient rehabilitation <sup>8</sup> .....	100	81	3	22	4	53	19
Outpatient rehabilitation <sup>8</sup> .....	100	77	3	24	2	48	23

See footnotes at end of table.



**Table 35. Medical care benefits: Percent of full-time participants by coverage for selected categories of care, State and local governments, 1990—Continued**

Category of medical care	Total	Care provided					Care not provided
		All	Covered in full	Subject to internal limits only <sup>1</sup>	Subject to overall limits only <sup>2</sup>	Subject to internal and overall limits	
<b>Teachers</b>							
Hospital room and board .....	100	100	20	7	24	49	-
Hospitalization—miscellaneous services <sup>3</sup> .....	100	100	20	7	24	49	-
Extended care facility <sup>4</sup> .....	100	80	7	31	14	28	20
Home health care <sup>4</sup> .....	100	83	23	19	14	28	17
Hospice .....	100	48	13	11	9	14	52
<b>Surgery</b>							
Inpatient .....	100	100	48	1	39	12	-
Outpatient <sup>5</sup> .....	100	100	51	1	37	11	-
<b>Physician visits</b>							
In hospital .....	100	100	34	1	41	24	-
Office .....	100	100	14	17	56	12	( <sup>6</sup> )
Diagnostic X-ray and laboratory .....	100	100	43	2	39	16	-
Prescription drugs—nonhospital .....	100	94	4	42	40	8	6
<b>Mental health care</b>							
In hospital .....	100	99	2	28	5	65	1
Outpatient .....	100	92	( <sup>6</sup> )	28	2	62	8
<b>Alcohol abuse treatment</b>							
Inpatient detoxification <sup>7</sup> .....	100	98	13	19	8	58	2
Inpatient rehabilitation <sup>8</sup> .....	100	78	4	19	8	46	22
Outpatient rehabilitation <sup>8</sup> .....	100	70	3	25	5	37	30
<b>Drug abuse treatment</b>							
Inpatient detoxification <sup>7</sup> .....	100	98	13	19	7	59	2
Inpatient rehabilitation <sup>8</sup> .....	100	74	3	20	5	46	26
Outpatient rehabilitation <sup>8</sup> .....	100	68	3	21	4	40	32
<b>Police and firefighters</b>							
Hospital room and board .....	100	100	27	9	31	32	-
Hospitalization—miscellaneous services <sup>3</sup> .....	100	100	27	9	31	32	-
Extended care facility <sup>4</sup> .....	100	83	11	26	8	37	17
Home health care <sup>4</sup> .....	100	86	25	24	11	27	14
Hospice .....	100	45	8	19	5	13	55
<b>Surgery</b>							
Inpatient .....	100	100	49	1	44	6	-
Outpatient <sup>5</sup> .....	100	100	54	1	40	5	-
<b>Physician visits</b>							
In hospital .....	100	100	39	1	43	18	-
Office .....	100	100	12	24	51	12	( <sup>6</sup> )
Diagnostic X-ray and laboratory .....	100	100	48	( <sup>6</sup> )	43	9	-
Prescription drugs—nonhospital .....	100	95	4	49	36	7	5
<b>Mental health care</b>							
In hospital .....	100	99	6	32	2	59	1
Outpatient .....	100	97	-	36	3	59	3
<b>Alcohol abuse treatment</b>							
Inpatient detoxification <sup>7</sup> .....	100	99	11	30	4	54	1
Inpatient rehabilitation <sup>8</sup> .....	100	84	1	29	3	51	16
Outpatient rehabilitation <sup>8</sup> .....	100	82	2	37	2	42	18
<b>Drug abuse treatment</b>							
Inpatient detoxification <sup>7</sup> .....	100	98	11	30	4	54	2
Inpatient rehabilitation <sup>8</sup> .....	100	82	2	29	1	50	18
Outpatient rehabilitation <sup>8</sup> .....	100	80	1	34	1	43	20

<sup>1</sup> Internal limits apply to individual categories of care, e.g., separate limits or benefits for hospitalization. Limits may be set in terms of dollar 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.

<sup>2</sup> Overall 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.

<sup>3</sup> Services provided during a hospital confinement.

<sup>4</sup> 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.

<sup>5</sup> Charges incurred in the outpatient department of a hospital and outside of the hospital.

<sup>6</sup> Less than 0.5 percent.

<sup>7</sup> Detoxification is the systematic use of medication and other methods under medical supervision to reduce or eliminate the effects of substance abuse.

<sup>8</sup> 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 36. Health care benefits: Percent of full-time participants by arrangement for payment to providers and type of financial intermediary, State and local governments, 1990**

Fee arrangement and financial intermediary	All participants			Regular participants			Teachers			Police and firefighters		
	Medical care <sup>1</sup>	Dental care	Vision care	Medical care <sup>1</sup>	Dental care	Vision care	Medical care <sup>1</sup>	Dental care	Vision care	Medical care <sup>1</sup>	Dental care	Vision care
Total .....	100	100	100	100	100	100	100	100	100	100	100	100
Traditional fee-for-service .....	61	83	73	60	84	73	63	82	72	61	83	66
No intermediary--self insured <sup>2</sup> .....	15	30	28	15	33	31	14	25	23	16	21	13
Commercial insurance company .....	9	18	9	9	18	10	9	17	4	6	26	25
Blue Cross-Blue Shield .....	31	15	10	30	15	10	34	15	10	35	20	6
Independent organization .....	( <sup>3</sup> )	2	-	( <sup>3</sup> )	2	-	( <sup>3</sup> )	1	-	1	1	-
Medical or dental society .....	( <sup>3</sup> )	17	25	( <sup>3</sup> )	16	22	( <sup>3</sup> )	23	35	( <sup>3</sup> )	15	22
Other .....	( <sup>3</sup> )	( <sup>3</sup> )	-	( <sup>3</sup> )	( <sup>3</sup> )	-	-	-	-	-	-	-
Combined .....	5	-	( <sup>3</sup> )	5	-	( <sup>3</sup> )	6	-	( <sup>3</sup> )	3	-	-
Preferred provider organization <sup>4</sup> .....	17	8	14	18	7	14	17	11	16	14	7	18
No intermediary--self insured <sup>2</sup> .....	7	2	5	7	2	5	7	3	7	5	( <sup>3</sup> )	2
Commercial insurance company .....	4	1	2	4	1	2	4	1	2	4	5	10
Blue Cross-Blue Shield .....	5	( <sup>3</sup> )	( <sup>3</sup> )	4	1	( <sup>3</sup> )	5	( <sup>3</sup> )	( <sup>3</sup> )	6	-	4
Independent organization .....	1	( <sup>3</sup> )	( <sup>3</sup> )	1	( <sup>3</sup> )	( <sup>3</sup> )	( <sup>3</sup> )	-	( <sup>3</sup> )	( <sup>3</sup> )	( <sup>3</sup> )	( <sup>3</sup> )
Medical or dental society .....	-	3	6	-	3	6	-	6	6	-	1	2
Other .....	( <sup>3</sup> )	-	-	( <sup>3</sup> )	-	-	-	-	-	-	-	-
Combined .....	1	( <sup>3</sup> )	-	1	( <sup>3</sup> )	-	( <sup>3</sup> )	( <sup>3</sup> )	-	( <sup>3</sup> )	-	-
Prepaid health maintenance organization <sup>5</sup> .....	22	8	12	22	9	12	20	7	11	24	10	15
No intermediary--self insured <sup>2</sup> .....	( <sup>3</sup> )	( <sup>3</sup> )	( <sup>3</sup> )	( <sup>3</sup> )	( <sup>3</sup> )	( <sup>3</sup> )	( <sup>3</sup> )	( <sup>3</sup> )	( <sup>3</sup> )	-	-	-
Commercial insurance company .....	3	2	3	3	3	2	4	1	5	2	( <sup>3</sup> )	1
Blue Cross-Blue Shield .....	2	( <sup>3</sup> )	1	2	( <sup>3</sup> )	1	1	( <sup>3</sup> )	( <sup>3</sup> )	2	2	2
Independent organization .....	15	6	8	15	5	9	14	6	6	17	8	12
Medical or dental society .....	-	( <sup>3</sup> )	-	-	( <sup>3</sup> )	-	-	-	-	-	( <sup>3</sup> )	-
Combined .....	2	( <sup>3</sup> )	( <sup>3</sup> )	2	( <sup>3</sup> )	( <sup>3</sup> )	1	( <sup>3</sup> )	-	3	( <sup>3</sup> )	-
Other <sup>6</sup> .....	( <sup>3</sup> )	( <sup>3</sup> )	1	( <sup>3</sup> )	( <sup>3</sup> )	1	-	( <sup>3</sup> )	2	1	-	( <sup>3</sup> )

<sup>1</sup> Plans providing services or payments for services rendered in the hospital or by a physician.

<sup>2</sup> 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 Plan (ASO) contracts.

<sup>3</sup> Less than 0.5 percent.

<sup>4</sup> 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.

<sup>5</sup> 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.

<sup>6</sup> 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 37. Medical care benefits: Percent of full-time participants in plans with overall limitations on benefits by amount of deductible,<sup>1</sup> State and local governments, 1990**

Type and amount of deductible <sup>2</sup>	All participants			Regular participants			Teachers			Police and firefighters		
	Total	Deductible		Total	Deductible		Total	Deductible		Total	Deductible	
		Includes hospital expense	Excludes hospital expense		Includes hospital expense	Excludes hospital expense		Includes hospital expense	Excludes hospital expense		Includes hospital expense	Excludes hospital expense
Total .....	100	74	26	100	72	28	100	76	24	100	76	24
Deductible specified .....	91	74	17	91	72	18	92	76	16	88	76	12
Deductible on an annual basis <sup>3</sup> .....	91	73	17	91	72	18	92	76	16	88	75	12
Based on earnings <sup>4</sup> .....	( <sup>5</sup> )	( <sup>5</sup> )	-	( <sup>5</sup> )	( <sup>5</sup> )	-	( <sup>5</sup> )	( <sup>5</sup> )	-	( <sup>5</sup> )	( <sup>5</sup> )	-
Flat dollar amount .....	91	73	17	90	72	18	92	76	16	88	75	12
Less than \$50 .....	( <sup>5</sup> )	( <sup>5</sup> )	( <sup>5</sup> )	( <sup>5</sup> )	( <sup>5</sup> )	-	( <sup>5</sup> )	-	( <sup>5</sup> )	-	-	-
\$50 .....	10	8	2	9	7	2	13	11	2	10	7	4
\$51-\$99 .....	1	1	-	1	1	-	1	1	-	-	-	-
\$100 .....	37	34	3	36	33	3	40	37	3	39	36	3
\$101-\$149 .....	4	4	( <sup>5</sup> )	5	5	( <sup>5</sup> )	2	2	-	2	2	( <sup>5</sup> )
\$150 .....	9	6	3	8	5	3	12	9	3	3	2	1
\$151-\$199 .....	( <sup>5</sup> )	( <sup>5</sup> )	( <sup>5</sup> )	( <sup>5</sup> )	( <sup>5</sup> )	( <sup>5</sup> )	( <sup>5</sup> )	-	( <sup>5</sup> )	-	-	-
\$200 .....	16	13	4	17	13	4	12	9	3	21	19	2
\$201-\$249 .....	-	-	-	-	-	-	-	-	-	-	-	-
\$250 .....	2	2	( <sup>5</sup> )	2	2	1	1	1	( <sup>5</sup> )	6	6	( <sup>5</sup> )
\$300 .....	6	3	3	7	3	4	5	2	3	2	1	1
Over \$300 .....	5	4	1	5	4	1	6	4	2	3	2	1
Deductible not on an annual basis ....	( <sup>5</sup> )	( <sup>5</sup> )	( <sup>5</sup> )	( <sup>5</sup> )	( <sup>5</sup> )	( <sup>5</sup> )	( <sup>5</sup> )	( <sup>5</sup> )	( <sup>5</sup> )	( <sup>5</sup> )	( <sup>5</sup> )	-
No deductible .....	9	-	9	9	-	9	8	-	8	12	-	12

<sup>1</sup> 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.

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

<sup>3</sup> The basis of the deductible is the length of time within which a single

deductible requirement applies. Some plans require that expenses equal to the deductible be incurred within a shorter period, such as 90 days.

<sup>4</sup> 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 \$150.

<sup>5</sup> 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 38. Medical care benefits: Percent of full-time participants in plans with overall limitations on benefits by coinsurance rate, State and local governments, 1990**

Coinsurance amount	All participants	Regular participants	Teachers	Police and fire-fighters
Total .....	100	100	100	100
With coinsurance <sup>1</sup> .....	92	91	94	89
Coinsurance rate <sup>2</sup>				
80 percent .....	71	72	70	74
85 percent .....	2	3	2	2
90 percent .....	14	12	18	9
Other percent .....	4	5	4	4
Varies <sup>3</sup> .....	( <sup>4</sup> )	( <sup>4</sup> )	( <sup>4</sup> )	1
Without coinsurance <sup>5</sup> .....	8	9	6	11

<sup>1</sup> 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 expense reaches \$1000, and then coverage is at 100 percent.

<sup>2</sup> 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.

<sup>3</sup> The overall coinsurance rate varies by specified dollar amount of expenses. For example 80 percent coverage up to \$5000 and 90 percent thereafter.

<sup>4</sup> Less than 0.5 percent.

<sup>5</sup> 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 to totals. Where applicable, dash indicates no employees in this category.

**Table 39. Medical care benefits: Percent of full-time participants in plans with overall limitations on benefits by maximum out-of-pocket expense provisions, State and local governments, 1990**

Provision	All participants	Regular participants	Teachers	Police and fire-fighters
Total .....	100	100	100	100
Maximum on annual out-of-pocket expense <sup>1</sup> .....	88	88	88	88
Per individual:				
\$1-\$249 .....	2	2	1	2
\$250-\$499 .....	18	15	24	24
\$500-\$749 .....	22	24	16	24
\$750-\$999 .....	10	11	10	3
\$1,000-\$1,249 .....	19	19	19	19
\$1,250-\$1,499 .....	2	2	1	1
\$1,500-\$1,999 .....	6	6	4	7
\$2,000-\$2,499 .....	5	4	8	4
\$2,500 and greater .....	5	5	5	3
Per family: <sup>2</sup>				
\$1-\$499 .....	1	1	2	2
\$500-\$749 .....	3	3	3	2
\$750-\$999 .....	5	4	8	4
\$1,000-\$1,249 .....	9	9	8	17
\$1,250-\$1,499 .....	2	3	1	1
\$1,500-\$1,999 .....	6	5	7	6
\$2,000-\$2,999 .....	10	11	7	12
\$3,000-\$3,999 .....	4	4	3	3
\$4,000 and greater .....	3	3	3	4
No family maximum .....	45	45	47	38
Coinsurance varies by procedure <sup>3</sup> .....	1	1	( <sup>4</sup> )	1
No maximum on annual out-of-pocket expenses .....	11	11	11	11

<sup>1</sup> Deductible amounts were excluded from computation of the out-of-pocket dollar limits. With rare exceptions, an annual out-of-pocket limit was specified. 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. Under federally qualified HMO's, there is a limit on the amount of copayments the participant must pay, equal to a percentage of the total premium. These plans were excluded from the computation of the out-of-pocket dollar limits.

<sup>2</sup> In a few plans, family out-of-pocket expense could not be computed because no limit on family deductibles was given.

<sup>3</sup> Different coinsurance levels apply to different categories of care, but covered expenses under all coinsurance levels are limited to a specific dollar amount after which the plan pays 100 percent of additional expenses. Due to the varying coinsurance levels, out-of-pocket maximums cannot be calculated.

<sup>4</sup> Less than 0.5 percent.

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

**Table 40. Medical care benefits: Percent of full-time participants in plans with overall limitations on benefits by total annual deductible and maximum out-of-pocket expense, State and local governments, 1990**

Dollar amount <sup>1</sup>	All participants	Regular participants	Teachers	Police and fire-fighters
Total .....	100	100	100	100
Plan specifies annual deductible and out-of-pocket maximum <sup>2</sup> .....	82	82	83	80
\$300-\$499 .....	7	6	8	8
\$500-\$699 .....	21	18	25	27
\$700-\$899 .....	11	13	5	10
\$900-\$1,099 .....	10	9	11	3
\$1,100-\$1,299 .....	13	14	10	15
\$1,300-\$1,499 .....	3	3	2	1
\$1,500-\$1,699 .....	4	4	3	3
\$1,700-\$1,899 .....	2	2	2	2
\$1,900-\$2,099 .....	4	4	6	5
\$2,100 and greater .....	8	8	9	5
Based on earnings .....	( <sup>3</sup> )	( <sup>3</sup> )	( <sup>3</sup> )	( <sup>3</sup> )
No deductible or deductible not on an annual basis .....	6	6	5	9
Plan does not specify maximum annual out-of-pocket expense .....	12	12	12	12

<sup>1</sup> Total amount of deductible and out-of-pocket maximum is for each insured person. In some plans, the individual and family deductibles are identical.

<sup>2</sup> Under federally qualified HMO's, there is a limit on the amount of copayments the participant must pay, equal to a percentage of the total premium. These plans were excluded from the computation of the out-of-pocket dollar limits.

<sup>3</sup> 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 41. Medical care benefits: Percent of full-time participants in plans with overall limitations on benefits by maximum benefit provisions, State and local governments, 1990**

Type and dollar amount of maximum <sup>1</sup>	All participants	Regular participants	Teachers	Police and fire-fighters
Total .....	100	100	100	100
With maximum limits .....	80	80	82	79
Lifetime maximum only .....	76	75	78	75
Less than \$100,000 .....	1	1	( <sup>2</sup> )	( <sup>2</sup> )
\$100,000 .....	1	1	1	1
\$100,001-\$249,999 .....	1	1	1	-
\$250,000 .....	8	8	8	10
\$250,001-\$499,999 .....	1	( <sup>2</sup> )	1	2
\$500,000 .....	10	10	11	11
\$500,001-\$999,999 .....	2	2	2	-
\$1,000,000 .....	51	50	52	50
More than \$1,000,000 .....	2	2	3	2
Annual or disability maximum only .....	1	1	1	1
Both lifetime and annual or disability maximums .....	3	4	3	2
Other maximum .....	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	-
Without maximum limits .....	20	20	18	21

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

<sup>2</sup> 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 42. Medical care benefits: Percent of full-time participants in plans with hospital room and board coverage by type of benefit payments, State and local governments, 1990**

Type of payment	All participants	Regular participants	Teachers	Police and fire-fighters
Total .....	100	100	100	100
Full semiprivate rate <sup>1</sup> .....	34	34	31	37
Full semiprivate rate for limited period, then percent of semiprivate rate .....	26	25	30	21
80 percent .....	24	23	27	18
90 percent .....	2	1	3	1
Other .....	1	1	( <sup>2</sup> )	1
Varies .....	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	-
Percent of semiprivate rate .....	38	39	35	41
80 percent .....	20	22	17	25
85 percent .....	3	3	2	2
90 percent .....	9	9	11	7
95 percent .....	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )
Other .....	1	1	1	( <sup>2</sup> )
Varies .....	4	4	4	7
Daily dollar allowance .....	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	-
Daily dollar allowance, plus percent of additional charges .....	2	1	4	1

<sup>1</sup> Includes full service benefits provided by health maintenance organizations or preferred providers.

<sup>2</sup> 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 43. Medical care benefits: Percent of full-time participants in plans with in-hospital surgical benefits by type of payment, State and local governments, 1990**

Type of payment	All participants	Regular participants	Teachers	Police and fire-fighters
Total .....	100	100	100	100
Full usual, customary, and reasonable charge <sup>1</sup> .....	49	49	48	49
Full usual, customary, and reasonable charge up to a specified amount, plus percent of additional charges .....	1	( <sup>2</sup> )	1	( <sup>2</sup> )
Full usual, customary, and reasonable charge up to a specified amount .....	( <sup>2</sup> )	( <sup>2</sup> )	1	-
Percent of usual, customary, and reasonable charge:				
80 percent .....	25	27	19	26
85 percent .....	2	2	2	1
90 percent .....	8	7	10	5
95 percent .....	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	-
Other percent <sup>3</sup> .....	8	8	8	12
Percent of usual, customary, and reasonable charge plus percent of additional charges based on plan's coinsurance rate .....	( <sup>2</sup> )	( <sup>2</sup> )	-	( <sup>2</sup> )
Dollar allowance per procedure, plus percent of additional charges:				
80 percent .....	6	5	10	4
Other percent .....	1	1	1	( <sup>2</sup> )
Dollar allowance per procedure .....	1	1	( <sup>2</sup> )	1

<sup>1</sup> Includes full service benefits provided by health maintenance organizations or preferred provider organizations.

<sup>2</sup> Less than 0.5 percent.

<sup>3</sup> 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 44. Medical care benefits: Percent of full-time participants in plans with in-hospital surgical benefits by comparison with outpatient surgical coverage, State and local governments, 1990**

Outpatient surgery	All participants	Regular participants	Teachers	Police and fire-fighters
Total .....	100	100	100	100
Coverage the same as in-hospital surgery .....	86	85	88	80
Coverage differs from in-hospital surgery .....	14	15	12	20
Coinsurance rate higher for outpatient surgery .....	12	13	9	16
100 percent .....	12	12	9	16
90 percent or 95 percent .....	( <sup>1</sup> )	1	( <sup>1</sup> )	1
Other differences <sup>2</sup> .....	2	2	3	4

<sup>1</sup> Less than 0.5 percent.

<sup>2</sup> Includes plans under which in-hospital surgery is subject to the overall plan deductible while outpatient surgery is not, and plans where inpatient and outpatient surgery have different deductibles.

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: Percent of full-time participants in fee-for-service plans with in-hospital surgical benefits by second surgical opinion provisions, State and local governments, 1990**

Item	All participants	Regular participants	Teachers	Police and fire-fighters
Total .....	100	100	100	100
With second surgical opinion provision .....	71	72	69	73
Plan pays for, but does not provide incentives for, second opinions .....	31	31	32	32
Plan provides incentives for second opinions .....	39	40	37	42
For selected procedures <sup>1</sup> .....	30	31	29	34
No payment without second opinion .....	5	5	5	9
Reduced coinsurance without second opinion .....	25	26	24	25
For all procedures .....	5	6	4	6
Reduced coinsurance without second opinion .....	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	-
Schedule of payments lower without second opinion .....	3	3	3	2
Other lower payments .....	2	2	1	4
Details of incentive not available .....	4	4	4	2
Without second surgical opinion provision .....	29	28	31	27

<sup>1</sup> Procedures most commonly mentioned were tonsillectomy, adenoidectomy, hysterectomy, surgery of the nose or back, removal of the gall bladder, and coronary bypass surgery.

<sup>2</sup> 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 46. Medical care benefits: Percent of full-time participants in plans with mental health benefits by extent of benefits, State and local governments, 1990**

Coverage limitation	All participants		Regular participants		Teachers		Police and firefighters	
	Hospital care <sup>1</sup>	Outpatient care <sup>2</sup>	Hospital care <sup>1</sup>	Outpatient care <sup>2</sup>	Hospital care <sup>1</sup>	Outpatient care <sup>2</sup>	Hospital care <sup>1</sup>	Outpatient care <sup>2</sup>
Total .....	100	100	100	100	100	100	100	100
With coverage .....	99	96	99	96	100	93	99	98
Covered the same as other illnesses .....	16	1	15	1	17	1	16	2
Subject to separate limitations <sup>3</sup> ....	83	94	84	95	83	91	83	96
Limit on days .....	67	38	67	38	67	41	59	36
Per year .....	56	38	56	38	55	40	54	36
Per confinement .....	11	( <sup>4</sup> )	11	( <sup>4</sup> )	12	( <sup>4</sup> )	5	-
Per lifetime .....	1	-	1	-	1	-	( <sup>4</sup> )	-
Per other period .....	( <sup>4</sup> )	( <sup>4</sup> )	( <sup>4</sup> )	( <sup>4</sup> )	( <sup>4</sup> )	-	( <sup>4</sup> )	-
Limit on dollars .....	34	66	34	67	32	63	39	67
Per day .....	1	23	1	23	1	24	2	24
Per year .....	13	45	13	45	14	43	11	50
Per lifetime .....	26	-	26	-	24	-	34	-
Per other period .....	1	1	1	1	1	( <sup>4</sup> )	1	1
Coinsurance limit .....	12	48	12	48	10	47	17	51
50 percent .....	4	38	4	38	4	36	5	41
Other <sup>5</sup> .....	8	10	8	10	7	11	13	10
Ceiling on out-of-pocket expenses does not apply .....	15	36	15	36	15	35	17	33
Separate copayment or deductible .....	7	16	7	16	7	15	4	21
Other limitations .....	1	1	1	1	( <sup>4</sup> )	( <sup>4</sup> )	( <sup>4</sup> )	( <sup>4</sup> )
Without coverage .....	1	4	1	4	( <sup>4</sup> )	7	1	2

<sup>1</sup> Excludes doctor's charges in the hospital.

<sup>2</sup> 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.

<sup>3</sup> 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, but the limit on inpatient care for any other type of illness is greater than 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 on mental health coverage.

<sup>4</sup> Less than 0.5 percent.

<sup>5</sup> Includes plans with reduced coinsurance other than 50 percent and plans where the rate of reimbursement varied during the treatment period.

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: Percent of full-time participants in plans with substance abuse benefits by uniformity in coverage, State and local governments, 1990**

Coverage limitation	All participants	Regular participants	Teachers	Police and firefighters
Total .....	100	100	100	100
With alcohol abuse treatment benefits .....	100	100	100	100
Drug abuse treatment covered in the same manner .....	88	88	87	90
Drug abuse treatment covered differently .....	12	12	13	10
Drug abuse treatment benefits not provided .....	( <sup>1</sup> )	( <sup>1</sup> )	1	( <sup>1</sup> )

<sup>1</sup> 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 48. Medical care benefits: Percent of full-time participants in plans with alcohol abuse treatment benefits by extent of benefits, State and local governments, 1990**

Coverage limitation	All participants			Regular participants			Teachers			Police and firefighters		
	Inpatient detoxification <sup>1</sup>	Inpatient rehabilitation <sup>2</sup>	Out-patient care <sup>3</sup>	Inpatient detoxification <sup>1</sup>	Inpatient rehabilitation <sup>2</sup>	Out-patient care <sup>3</sup>	Inpatient detoxification <sup>1</sup>	Inpatient rehabilitation <sup>2</sup>	Out-patient care <sup>3</sup>	Inpatient detoxification <sup>1</sup>	Inpatient rehabilitation <sup>2</sup>	Out-patient care <sup>3</sup>
Total .....	100	100	100	100	100	100	100	100	100	100	100	100
With coverage .....	100	83	77	100	85	79	100	79	71	100	85	83
Covered the same as other illnesses	38	15	8	37	15	8	44	16	8	29	11	4
Subject to separate limitations <sup>4</sup> .....	62	68	70	63	70	71	56	62	63	71	74	80
Limit on days .....	48	51	36	49	53	38	44	46	32	50	53	39
Per year .....	40	43	33	42	46	34	36	37	29	42	44	36
Per confinement .....	6	6	1	6	6	1	7	7	1	6	5	1
Per lifetime .....	5	7	2	5	7	2	5	7	3	4	7	3
Per other period .....	4	3	3	4	4	3	3	3	2	4	3	3
Limit on dollars .....	27	29	41	27	29	43	24	27	37	30	31	45
Per day .....	1	3	10	1	2	10	1	3	12	3	4	10
Per year .....	10	11	27	10	12	28	9	12	25	7	8	27
Per lifetime .....	18	20	21	18	20	22	16	20	19	23	24	22
Per other period .....	5	5	5	5	5	5	5	5	4	7	7	6
Coinsurance limit <sup>5</sup> .....	12	11	23	12	11	23	11	10	21	15	14	23
Ceiling on out-of-pocket expenses does not apply .....	9	9	17	9	9	17	11	10	16	9	9	17
Separate copayment or deductible .....	6	6	7	7	7	7	5	5	5	6	6	11
Other limitations .....	( <sup>6</sup> )	( <sup>6</sup> )	1	1	1	1	( <sup>6</sup> )	( <sup>6</sup> )	2	( <sup>6</sup> )	( <sup>6</sup> )	1
Without coverage .....	( <sup>6</sup> )	17	23	( <sup>6</sup> )	15	21	-	21	29	( <sup>6</sup> )	15	17

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

<sup>2</sup> Rehabilitation is designed to alter abusive behavior in patients once they are free of acute physical and mental complications.

<sup>3</sup> 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.

<sup>4</sup> 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, 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.

<sup>5</sup> Coinsurance rate is lower than that applying to other medical services. In such cases, outpatient rehabilitation care is generally at a coinsurance rate of 50 percent.

<sup>6</sup> 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: Percent of full-time participants in plans with drug abuse treatment benefits by extent of benefits, State and local governments, 1990**

Coverage limitation	All participants			Regular participants			Teachers			Police and firefighters		
	Inpatient detoxification <sup>1</sup>	Inpatient rehabilitation <sup>2</sup>	Out-patient care <sup>3</sup>	Inpatient detoxification <sup>1</sup>	Inpatient rehabilitation <sup>2</sup>	Out-patient care <sup>3</sup>	Inpatient detoxification <sup>1</sup>	Inpatient rehabilitation <sup>2</sup>	Out-patient care <sup>3</sup>	Inpatient detoxification <sup>1</sup>	Inpatient rehabilitation <sup>2</sup>	Out-patient care <sup>3</sup>
Total .....	100	100	100	100	100	100	100	100	100	100	100	100
With coverage .....	100	81	76	100	83	78	100	75	69	100	83	81
Covered the same as other illnesses	36	11	5	35	11	5	43	11	5	28	9	2
Subject to separate limitations <sup>4</sup> .....	64	70	71	65	72	73	57	65	64	72	74	79
Limit on days .....	49	54	37	51	56	39	45	49	33	52	54	38
Per year .....	42	47	33	44	49	35	37	41	29	44	45	35
Per confinement .....	6	6	1	6	6	( <sup>5</sup> )	7	7	1	6	6	1
Per lifetime .....	4	6	1	4	7	1	4	6	2	5	7	2
Per other period .....	3	3	3	4	4	3	3	3	2	4	3	3
Limit on dollars .....	27	29	42	28	30	43	24	27	37	29	30	46
Per day .....	1	3	10	1	2	10	1	3	11	3	4	10
Per year .....	10	11	28	10	12	29	9	12	24	7	8	28
Per lifetime .....	19	21	22	19	21	23	17	20	19	23	23	22
Per other period .....	5	5	5	5	5	5	5	5	4	7	7	6
Coinsurance limit <sup>6</sup> .....	12	11	23	12	11	24	11	10	22	15	14	24
Ceiling on out-of-pocket expenses does not apply .....	10	10	18	10	10	19	11	11	16	9	9	18
Separate copayment or deductible .....	6	7	7	7	7	7	5	6	7	6	6	12
Other limitations .....	( <sup>5</sup> )	( <sup>5</sup> )	1	1	1	1	( <sup>5</sup> )	( <sup>5</sup> )	2	( <sup>5</sup> )	( <sup>5</sup> )	1
Without coverage .....	( <sup>5</sup> )	19	24	( <sup>5</sup> )	17	22	-	25	31	( <sup>5</sup> )	17	19

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

<sup>2</sup> Rehabilitation is designed to alter abusive behavior in patients once they are free of acute physical and mental complications.

<sup>3</sup> 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.

<sup>4</sup> 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, 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.

<sup>5</sup> Less than 0.5 percent.

<sup>6</sup> Coinsurance rate is lower than that applying to other medical services. In such cases, outpatient rehabilitation care is generally at a coinsurance rate of 50 percent.

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

**Table 50. Medical care benefits: Percent of full-time participants in health maintenance organizations by selected plan features, State and local governments, 1990**

Item	All participants	Regular participants	Teachers	Police and fire-fighters
<b>Extended care facilities</b>				
Total .....	100	100	100	100
Provided coverage .....	90	90	88	94
Limited number of days .....	63	64	62	62
Unlimited number of days .....	27	26	27	33
Not provided coverage .....	10	10	12	6
<b>Physicians' office visits</b>				
Total .....	100	100	100	100
Provided coverage .....	100	100	100	100
Subject to copayment per visit .....	50	49	52	58
\$1 per visit .....	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	1
\$2 per visit .....	4	4	2	6
\$3 per visit .....	8	9	5	13
\$4 per visit .....	4	4	6	1
\$5 per visit .....	23	24	21	25
More than \$5 per visit .....	10	8	16	12
Subject to other limits <sup>2</sup> .....	1	1	1	2
Covered in full .....	49	50	47	40
Not provided coverage .....	( <sup>1</sup> )	( <sup>1</sup> )	-	( <sup>1</sup> )
<b>Outpatient prescription drugs</b>				
Total .....	100	100	100	100
Provided coverage .....	91	91	89	93
Subject to a copayment per prescription .....	72	71	72	72
Less than \$1 per prescription .....	( <sup>1</sup> )	( <sup>1</sup> )	-	( <sup>1</sup> )
\$1 - \$1.99 per prescription .....	7	8	7	4
\$2 - \$2.99 per prescription .....	4	4	4	2
\$3 - \$3.99 per prescription .....	22	24	15	20
\$4 - \$4.99 per prescription .....	7	6	12	3
\$5 or more per prescription .....	31	29	34	43
Subject to other limits <sup>2</sup> .....	5	5	3	7
Covered in full .....	14	15	14	14
Not provided coverage .....	9	9	11	7

<sup>1</sup> Less than 0.5 percent.

<sup>2</sup> Includes plans that require participants to pay a percentage of the charges incurred.

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

**Table 51. Medical care benefits: Percent of full-time participants in fee-for-service plans<sup>1</sup> by coverage for selected cost containment features, State and local governments, 1990**

Cost containment feature	All participants	Regular participants	Teachers	Police and fire-fighters
Higher rate of payment for generic prescription drugs .....	22	22	20	24
Mail order drugs .....	7	8	6	7
No or limited reimbursement for nonemergency weekend admission to hospital .....	9	8	11	4
Separate deductible for hospital admission .....	20	21	20	12
Incentive for prehospitalization testing .....	46	46	48	44
Prehospital admission certification requirement .....	63	65	60	59
Higher rate of payment for delivery at birthing center .....	15	16	15	12
Incentive to audit hospital statement .....	6	7	3	4
Care subject to utilization review .....	33	34	31	29

<sup>1</sup> Data were not tabulated for health maintenance organizations because they had their own inherent cost containment features.

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

**Table 52. Medical care benefits<sup>1</sup>: Percent of full-time participants by type of plan and coverage for selected special benefits, State and local governments, 1990**

Benefit item	All plans	Health maintenance organizations	Non-health maintenance organizations
<b>All participants</b>			
Hearing care <sup>2</sup> .....	27	84	11
Orthoptics <sup>3</sup> .....	1	( <sup>4</sup> )	1
Routine physical examinations .....	36	97	19
Organ transplant .....	32	20	36
Well-baby care .....	39	96	23
Immunization and inoculation .....	33	95	16
Preventive dental care <sup>5</sup> .....	2	10	-
Vision examinations only <sup>6</sup> .....	19	73	4
<b>Regular participants</b>			
Hearing care <sup>2</sup> .....	28	87	12
Orthoptics <sup>3</sup> .....	1	( <sup>4</sup> )	1
Routine physical examinations .....	38	98	22
Organ transplant .....	32	19	35
Well-baby care .....	41	96	25
Immunization and inoculation .....	34	96	17
Preventive dental care <sup>5</sup> .....	2	10	-
Vision examinations only <sup>6</sup> .....	20	75	4
<b>Teachers</b>			
Hearing care <sup>2</sup> .....	24	79	9
Orthoptics <sup>3</sup> .....	1	-	1
Routine physical examinations .....	31	95	15
Organ transplant .....	33	23	35
Well-baby care .....	33	94	18
Immunization and inoculation .....	31	93	15
Preventive dental care <sup>5</sup> .....	2	8	-
Vision examinations only <sup>6</sup> .....	16	69	2
<b>Police and firefighters</b>			
Hearing care <sup>2</sup> .....	22	76	5
Orthoptics <sup>3</sup> .....	2	( <sup>4</sup> )	2
Routine physical examinations .....	35	98	15
Organ transplant .....	33	21	37
Well-baby care .....	45	97	29
Immunization and inoculation .....	32	97	12
Preventive dental care <sup>5</sup> .....	3	11	-
Vision examinations only <sup>6</sup> .....	20	73	4

<sup>1</sup> Plans providing services or payments for services rendered in the hospital or by a physician. Excludes plans that provided only prescription drug coverage.

<sup>2</sup> Plans provide, as a minimum, coverage for hearing examination expenses.

<sup>3</sup> Exercises to improve the function of the eye muscles.

<sup>4</sup> Less than 0.5 percent.

<sup>5</sup> Includes plans that provide only examinations and X-rays.

<sup>6</sup> Includes plans that provide only examinations.

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

**Table 53. Medical care benefits: Percent of full-time participants in contributory plans<sup>1</sup> by type and amount of employee contribution, State and local governments, 1990**

Type and amount of contribution	All plans		Health maintenance organizations		Non-health maintenance organizations	
	Employee coverage	Family coverage <sup>2</sup>	Employee coverage	Family coverage <sup>2</sup>	Employee coverage	Family coverage <sup>2</sup>
<b>All participants</b>						
Total .....	100	100	100	100	100	100
Flat monthly amount .....	84	87	79	81	86	89
Less than \$5.00 .....	6	1	6	1	6	( <sup>3</sup> )
\$5.00-\$9.99 .....	12	1	14	2	12	1
\$10.00-\$14.99 .....	15	1	18	1	15	1
\$15.00-\$19.99 .....	5	1	7	2	4	1
\$20.00-\$29.99 .....	14	4	16	4	14	4
\$30.00-\$39.99 .....	10	4	6	7	11	3
\$40.00-\$49.99 .....	8	4	7	4	9	4
\$50.00-\$59.99 .....	2	7	3	8	2	6
\$60.00-\$69.99 .....	2	4	( <sup>3</sup> )	6	2	3
\$70.00-\$79.99 .....	1	4	1	2	1	5
\$80.00-\$89.99 .....	1	6	-	4	1	6
\$90.00-\$99.99 .....	( <sup>3</sup> )	2	-	2	( <sup>3</sup> )	3
\$100.00-\$124.99 .....	1	9	-	7	1	10
\$125.00-\$149.99 .....	( <sup>3</sup> )	6	( <sup>3</sup> )	4	( <sup>3</sup> )	7
\$150.00-\$174.99 .....	( <sup>3</sup> )	13	-	7	( <sup>3</sup> )	15
\$175.00-\$199.99 .....	( <sup>3</sup> )	5	-	7	( <sup>3</sup> )	5
\$200.00 or greater .....	-	11	-	12	-	10
Composite rate <sup>4</sup> .....	7	4	1	1	8	5
Amount varies by employee <sup>5</sup> .....	8	5	16	12	6	4
Amount varies by earnings .....	1	1	1	1	1	1
Not determinable .....	6	7	4	6	7	7
<b>Regular participants</b>						
Total .....	100	100	100	100	100	100
Flat monthly amount .....	84	87	80	82	85	89
Less than \$5.00 .....	6	( <sup>3</sup> )	7	1	6	( <sup>3</sup> )
\$5.00-\$9.99 .....	12	1	10	3	13	1
\$10.00-\$14.99 .....	16	1	21	2	14	1
\$15.00-\$19.99 .....	5	1	7	1	4	1
\$20.00-\$29.99 .....	14	4	17	3	14	4
\$30.00-\$39.99 .....	10	5	5	9	11	3
\$40.00-\$49.99 .....	8	4	7	4	9	4
\$50.00-\$59.99 .....	2	8	4	10	1	7
\$60.00-\$69.99 .....	1	4	( <sup>3</sup> )	7	2	3
\$70.00-\$79.99 .....	1	4	1	2	1	5
\$80.00-\$89.99 .....	1	7	-	5	1	7
\$90.00-\$99.99 .....	( <sup>3</sup> )	2	-	2	( <sup>3</sup> )	3
\$100.00-\$124.99 .....	( <sup>3</sup> )	9	-	6	( <sup>3</sup> )	9
\$125.00-\$149.99 .....	( <sup>3</sup> )	6	( <sup>3</sup> )	4	( <sup>3</sup> )	7
\$150.00-\$174.99 .....	( <sup>3</sup> )	12	-	7	( <sup>3</sup> )	14
\$175.00-\$199.99 .....	( <sup>3</sup> )	6	-	7	( <sup>3</sup> )	5
\$200.00 or greater .....	-	7	-	8	-	7
Composite rate <sup>4</sup> .....	7	5	1	1	9	6
Amount varies by employee <sup>5</sup> .....	8	5	16	12	6	4
Amount varies by earnings .....	1	1	1	1	1	1
Not determinable .....	7	7	3	5	8	7

See footnotes at end of table.

**Table 53: Medical care benefits: Percent of full-time participants in contributory plans<sup>1</sup> by type and amount of employee contribution, State and local governments, 1990—Continued**

Type and amount of contribution	All plans		Health maintenance organizations		Non-health maintenance organizations	
	Employee coverage	Family coverage <sup>2</sup>	Employee coverage	Family coverage <sup>2</sup>	Employee coverage	Family coverage <sup>2</sup>
<b>Teachers</b>						
Total .....	100	100	100	100	100	100
Flat monthly amount .....	84	87	77	79	86	89
Less than \$5.00 .....	7	1	4	1	8	1
\$5.00-\$9.99 .....	14	1	29	1	9	( <sup>3</sup> )
\$10.00-\$14.99 .....	15	1	11	( <sup>3</sup> )	16	1
\$15.00-\$19.99 .....	4	1	3	2	4	1
\$20.00-\$29.99 .....	13	4	13	5	13	4
\$30.00-\$39.99 .....	9	2	2	2	11	2
\$40.00-\$49.99 .....	9	3	9	4	9	3
\$50.00-\$59.99 .....	3	4	2	4	3	4
\$60.00-\$69.99 .....	1	4	-	5	2	4
\$70.00-\$79.99 .....	2	2	1	1	2	3
\$80.00-\$89.99 .....	( <sup>3</sup> )	2	-	2	( <sup>3</sup> )	2
\$90.00-\$99.99 .....	-	2	-	( <sup>3</sup> )	-	3
\$100.00-\$124.99 .....	1	8	-	5	2	9
\$125.00-\$149.99 .....	1	7	-	5	1	7
\$150.00-\$174.99 .....	( <sup>3</sup> )	17	-	8	( <sup>3</sup> )	19
\$175.00-\$199.99 .....	( <sup>3</sup> )	4	-	5	( <sup>3</sup> )	3
\$200.00 or greater .....	-	21	-	29	-	19
Composite rate <sup>4</sup> .....	6	4	3	2	6	4
Amount varies by employee <sup>5</sup> .....	8	5	14	10	6	4
Amount varies by earnings .....	2	1	2	1	2	1
Not determinable .....	6	7	6	10	6	7
<b>Police and firefighters</b>						
Total .....	100	100	100	100	100	100
Flat monthly amount .....	85	89	72	77	91	94
Less than \$5.00 .....	5	1	5	3	5	1
\$5.00-\$9.99 .....	13	1	3	2	17	1
\$10.00-\$14.99 .....	12	1	12	2	13	1
\$15.00-\$19.99 .....	9	1	15	1	6	1
\$20.00-\$29.99 .....	15	4	14	4	16	4
\$30.00-\$39.99 .....	14	5	17	5	13	5
\$40.00-\$49.99 .....	5	6	1	6	7	5
\$50.00-\$59.99 .....	3	7	5	8	2	7
\$60.00-\$69.99 .....	6	4	( <sup>3</sup> )	1	8	6
\$70.00-\$79.99 .....	( <sup>3</sup> )	7	-	4	( <sup>3</sup> )	8
\$80.00-\$89.99 .....	-	8	-	5	-	10
\$90.00-\$99.99 .....	( <sup>3</sup> )	2	-	( <sup>3</sup> )	( <sup>3</sup> )	3
\$100.00-\$124.99 .....	( <sup>3</sup> )	14	-	14	1	15
\$125.00-\$149.99 .....	( <sup>3</sup> )	8	-	4	( <sup>3</sup> )	9
\$150.00-\$174.99 .....	1	8	-	7	1	8
\$175.00-\$199.99 .....	1	5	-	8	1	4
\$200.00 or greater .....	-	5	-	3	-	6
Composite rate <sup>4</sup> .....	1	1	-	-	1	1
Amount varies by employee <sup>5</sup> .....	10	6	25	17	3	2
Not determinable .....	5	5	4	7	6	4

<sup>1</sup> Plans providing services or payments for services rendered in the hospital or by a physician.

<sup>2</sup> 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.

<sup>3</sup> Less than 0.5 percent.

<sup>4</sup> A composite rate is a set contribution covering more than one bene-

fit area, for example, health care and sickness and accident insurance. Cost data for individual plans cannot be determined.

<sup>5</sup> Amount varies by options selected under a "cafeteria plan" or balance of employer-sponsored reimbursement account.

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

**Table 54. Medical care benefits: Percent of full-time participants by requirement for employee contribution, State and local governments, 1990**

Type and amount of contribution	All participants		Regular participants		Teachers		Police and firefighters	
	Employee coverage	Family coverage	Employee coverage	Family coverage	Employee coverage	Family coverage	Employee coverage	Family coverage
Health maintenance organizations .....	100	100	100	100	100	100	100	100
Non-contributory .....	61	40	61	39	64	43	53	28
Contributory .....	39	60	39	60	36	56	46	71
Not determinable .....	(')	(')	(')	(')	(')	1	1	1
Non-health maintenance organizations .....	100	100	100	100	100	100	100	100
Non-contributory .....	62	34	61	32	66	35	67	44
Contributory .....	37	66	39	68	34	64	33	56
Not determinable .....	(')	(')	(')	1	(')	(')	(')	(')

<sup>1</sup> 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 55. Medical care benefits: Average monthly contribution of full-time participants in contributory plans, State and local governments, 1990**

Type of coverage	All participants	Regular participants	Teachers	Police and firefighters
<b>All plans</b>				
Employee coverage .....	\$25.53	\$24.82	\$26.97	\$27.83
Family coverage <sup>1</sup> .....	117.59	109.91	142.47	101.68
<b>Health maintenance organizations</b>				
Employee coverage .....	21.28	21.87	18.32	24.26
Family coverage <sup>1</sup> .....	108.86	97.45	150.50	95.83
<b>Non-health maintenance organizations</b>				
Employee coverage .....	26.78	25.71	29.24	29.17
Family coverage <sup>1</sup> .....	119.77	113.12	140.79	103.71

<sup>1</sup> 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.

**Table 56. Medical care benefits<sup>1</sup>: Percent of full-time participants by length-of-service requirements for participation,<sup>2</sup> State and local governments, 1990**

Length-of-service requirement	All participants	Regular participants	Teachers	Police and fire-fighters
Total .....	100	100	100	100
With service requirement .....	21	23	13	31
1 month .....	8	9	5	10
2 months .....	3	3	( <sup>3</sup> )	5
3 months .....	9	10	7	15
6 months .....	1	1	( <sup>3</sup> )	1
Over 6 months .....	( <sup>3</sup> )	( <sup>3</sup> )	1	1
Without service requirement .....	47	46	49	46
Service requirement not determinable .....	32	31	38	23
Not applicable—plan not available to new employees .....	( <sup>3</sup> )	( <sup>3</sup> )	-	( <sup>3</sup> )

<sup>1</sup> 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.

<sup>2</sup> Length of time employees must be on the job before they are covered by a plan that is at least partially employer financed. There is frequently an administrative time lag between completion of the requirement and the actual start of participation. If the lag was 1 month or more, it was included in the service requirement. Minimum age requirements are rare.

<sup>3</sup> 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 57. Medical care benefits<sup>1</sup>: Percent of full-time participants by provision for coverage after retirement, State and local governments, 1990**

Provision	All participants	Regular participants	Teachers	Police and fire-fighters
Total .....	100	100	100	100
With employer-financed retiree coverage <sup>2</sup> .....	58	58	57	57
For retirees under age 65 only ...	4	4	4	4
For retirees age 65 and over only .....	( <sup>3</sup> )	( <sup>3</sup> )	( <sup>3</sup> )	( <sup>3</sup> )
For all retirees .....	54	55	52	53
Benefits cancelled on retirement or financed wholly by retiree .....	42	41	43	42
Data not available .....	( <sup>3</sup> )	( <sup>3</sup> )	( <sup>3</sup> )	( <sup>3</sup> )

<sup>1</sup> 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.

<sup>2</sup> Includes plans financed wholly by employers and plans financed jointly by employers and employees.

<sup>3</sup> 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 58. Medical care benefits: Percent of full-time participants by provisions for benefits after retirement, State and local governments, 1990**

Characteristic	All participants		Regular participants		Teachers		Police and firefighters	
	Retiree under 65 <sup>2</sup>	Retiree 65 and over	Retiree under 65 <sup>2</sup>	Retiree 65 and over	Retiree under 65 <sup>2</sup>	Retiree 65 and over	Retiree under 65 <sup>2</sup>	Retiree 65 and over
Total .....	100	100	100	100	100	100	100	100
Percent of participants with employer-financed retiree coverage <sup>3</sup> .....	58	54	59	55	57	53	57	54
<b>Benefit level</b>								
Total .....	100	100	100	100	100	100	100	100
No change in coverage <sup>4</sup> .....	77	73	76	73	79	74	79	76
Reduced coverage .....	12	15	12	15	10	14	12	13
Increased coverage .....	( <sup>5</sup> )	( <sup>5</sup> )	( <sup>5</sup> )	( <sup>5</sup> )	-	-	-	-
Not determinable .....	11	12	11	12	11	12	9	11
<b>Eligibility for retiree coverage</b>								
Total .....	100	100	100	100	100	100	100	100
All retirees eligible <sup>5</sup> .....	32	33	34	35	27	27	30	29
Eligibility subject to service requirement .....	39	37	36	34	45	42	43	42
Must qualify for company pension .....	20	20	20	20	19	20	19	19
Other .....	( <sup>5</sup> )	-	( <sup>5</sup> )	-	( <sup>5</sup> )	-	-	-
Not determinable .....	10	11	10	11	9	10	9	11
<b>Financing</b>								
Total .....	100	100	100	100	100	100	100	100
Retiree pays some cost .....	50	48	53	51	44	39	47	45
Retiree pays no cost .....	49	52	47	49	55	61	52	53
Not determinable .....	1	1	1	( <sup>5</sup> )	( <sup>5</sup> )	( <sup>5</sup> )	1	2

<sup>1</sup> 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.

<sup>2</sup> Provisions in this column apply to the period between retirement and age 65.

<sup>3</sup> Tabulations cover plans in which insurance was continued for longer than 1 month after retirement and where the employer wholly or partly financed the coverage. It excludes plans that provide only the retiree's share of premiums for medical insurance under Medicare (Part B).

<sup>4</sup> For retirees eligible for Medicare, benefits may be calculated and reduced by the extent to which covered expenses are reimbursed by the Federal program.

<sup>5</sup> Less than 0.5 percent.

<sup>6</sup> Establishment imposes no specific qualification requirements to be eligible for retirees health care benefits.

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

**Table 59. Dental care benefits: Percent of full-time participants by extent of coverage for selected procedures, State and local governments, 1990**

Extent of coverage	Type of dental procedure									
	Examina- tions	Dental X- rays	Fillings	Dental surgery <sup>1</sup>	Inlays	Crowns	Periodontal care	Endodon- tics	Prosthetics	Orthodon- tia <sup>2</sup>
<b>All participants</b>										
Total .....	100	100	100	100	100	100	100	100	100	100
Covered .....	100	100	100	98	88	96	97	100	91	72
Scheduled cash allowance .....	13	14	15	14	15	13	14	15	14	( <sup>3</sup> )
Incentive schedule <sup>4</sup> .....	5	5	5	5	4	4	5	5	( <sup>3</sup> )	( <sup>3</sup> )
Subject to copayment <sup>5</sup> .....	5	5	7	12	5	13	12	12	13	14
Percent of usual, customary, and reasonable charge .....	76	76	72	67	63	64	64	67	63	57
Less than 50 .....	-	-	-	( <sup>3</sup> )	( <sup>3</sup> )	( <sup>3</sup> )	( <sup>3</sup> )	-	( <sup>3</sup> )	1
50 .....	1	1	5	7	40	40	9	9	44	32
60 .....	( <sup>3</sup> )	( <sup>3</sup> )	2	2	9	9	2	2	9	8
61-74 .....	1	1	1	1	1	1	1	1	1	1
75 .....	1	1	3	3	1	1	3	3	1	2
80 .....	11	12	41	40	9	10	38	37	5	1
85 .....	( <sup>3</sup> )	( <sup>3</sup> )	1	1	( <sup>3</sup> )	( <sup>3</sup> )	1	1	( <sup>3</sup> )	-
90 .....	2	2	5	5	1	1	5	5	( <sup>3</sup> )	( <sup>3</sup> )
100 <sup>6</sup> .....	59	58	15	8	2	2	6	8	2	12
Discounted benefit <sup>7</sup> .....	( <sup>3</sup> )	( <sup>3</sup> )	( <sup>3</sup> )	( <sup>3</sup> )	1	1	( <sup>3</sup> )	( <sup>3</sup> )	( <sup>3</sup> )	( <sup>3</sup> )
Subject to overall plan provisions only <sup>8</sup> .....	( <sup>3</sup> )	( <sup>3</sup> )	( <sup>3</sup> )	( <sup>3</sup> )	-	( <sup>3</sup> )	( <sup>3</sup> )	( <sup>3</sup> )	-	-
Not covered .....	-	-	( <sup>3</sup> )	2	11	4	3	( <sup>3</sup> )	9	28
Not determinable .....	( <sup>3</sup> )	( <sup>3</sup> )	( <sup>3</sup> )	( <sup>3</sup> )	2	( <sup>3</sup> )	( <sup>3</sup> )	( <sup>3</sup> )	( <sup>3</sup> )	( <sup>3</sup> )
<b>Regular participants</b>										
Total .....	100	100	100	100	100	100	100	100	100	100
Covered .....	100	100	100	98	87	95	97	100	91	72
Scheduled cash allowance .....	15	15	16	15	16	15	16	16	16	( <sup>3</sup> )
Incentive schedule <sup>4</sup> .....	4	4	4	4	3	3	4	4	( <sup>3</sup> )	( <sup>3</sup> )
Subject to copayment <sup>5</sup> .....	7	6	8	13	5	14	14	14	14	15
Percent of usual, customary, and reasonable charge .....	75	75	71	66	62	63	63	65	61	56
Less than 50 .....	-	-	-	( <sup>3</sup> )	( <sup>3</sup> )	( <sup>3</sup> )	( <sup>3</sup> )	-	1	1
50 .....	1	1	5	7	39	40	9	9	43	31
60 .....	( <sup>3</sup> )	( <sup>3</sup> )	2	2	8	8	2	2	8	6
61-74 .....	1	1	1	( <sup>3</sup> )	1	1	( <sup>3</sup> )	1	2	1
75 .....	1	1	3	3	1	1	2	2	1	2
80 .....	11	12	40	39	9	9	37	37	5	1
85 .....	( <sup>3</sup> )	( <sup>3</sup> )	( <sup>3</sup> )	( <sup>3</sup> )	( <sup>3</sup> )	( <sup>3</sup> )	1	1	( <sup>3</sup> )	-
90 .....	2	2	5	6	2	2	5	5	1	( <sup>3</sup> )
100 <sup>6</sup> .....	59	57	15	8	2	2	7	9	2	13
Discounted benefit <sup>7</sup> .....	( <sup>3</sup> )	( <sup>3</sup> )	( <sup>3</sup> )	( <sup>3</sup> )	1	1	( <sup>3</sup> )	( <sup>3</sup> )	( <sup>3</sup> )	1
Subject to overall plan provisions only <sup>8</sup> .....	( <sup>3</sup> )	( <sup>3</sup> )	( <sup>3</sup> )	( <sup>3</sup> )	-	( <sup>3</sup> )	( <sup>3</sup> )	( <sup>3</sup> )	-	-
Not covered .....	-	-	( <sup>3</sup> )	2	12	5	3	( <sup>3</sup> )	9	28
Not determinable .....	( <sup>3</sup> )	( <sup>3</sup> )	( <sup>3</sup> )	( <sup>3</sup> )	1	( <sup>3</sup> )	( <sup>3</sup> )	( <sup>3</sup> )	( <sup>3</sup> )	( <sup>3</sup> )

See footnotes at end of table.

**Table 59. Dental care benefits: Percent of full-time participants by extent of coverage for selected procedures, State and local governments, 1990—Continued**

Extent of coverage	Type of dental procedure									
	Examina-tions	Dental X-rays	Fillings	Dental surgery <sup>1</sup>	Inlays	Crowns	Periodontal care	Endodon-tics	Prosthetics	Orthodon-tia <sup>2</sup>
<b>Teachers</b>										
Total .....	100	100	100	100	100	100	100	100	100	100
Covered .....	100	100	100	99	88	96	97	100	91	71
Scheduled cash allowance .....	10	10	11	10	12	10	11	11	11	-
Incentive schedule <sup>4</sup> .....	10	10	10	10	8	9	9	10	( <sup>3</sup> )	-
Subject to copayment <sup>5</sup> .....	2	2	5	9	4	10	10	9	11	10
Percent of usual, customary, and reasonable charge .....	77	77	73	69	64	66	66	69	69	61
Less than 50 .....	-	-	-	-	( <sup>3</sup> )	( <sup>3</sup> )	-	-	( <sup>3</sup> )	1
50 .....	1	1	6	8	40	41	9	10	47	34
60 .....	( <sup>3</sup> )	( <sup>3</sup> )	3	3	11	11	3	3	11	11
61-74 .....	( <sup>3</sup> )	( <sup>3</sup> )	2	2	1	1	2	2	1	1
75 .....	2	2	4	3	1	1	3	3	1	1
80 .....	13	13	42	42	9	11	40	38	8	1
85 .....	( <sup>3</sup> )	( <sup>3</sup> )	1	1	( <sup>3</sup> )	( <sup>3</sup> )	1	1	( <sup>3</sup> )	-
90 .....	1	1	4	4	( <sup>3</sup> )	( <sup>3</sup> )	4	4	-	-
100 <sup>6</sup> .....	58	58	12	7	1	1	3	8	1	12
Discounted benefit <sup>7</sup> .....	( <sup>3</sup> )	( <sup>3</sup> )	( <sup>3</sup> )	( <sup>3</sup> )	1	1	( <sup>3</sup> )	( <sup>3</sup> )	( <sup>3</sup> )	( <sup>3</sup> )
Subject to overall plan provisions only <sup>8</sup> .....	1	1	1	( <sup>3</sup> )	-	-	1	1	-	-
Not covered .....	-	-	-	1	9	4	3	( <sup>3</sup> )	9	29
Not determinable .....	-	-	-	-	3	-	-	-	-	-
<b>Police and firefighters</b>										
Total .....	100	100	100	100	100	100	100	100	100	100
Covered .....	100	100	100	99	95	98	98	100	93	72
Scheduled cash allowance .....	14	14	14	14	13	13	14	14	13	1
Incentive schedule <sup>4</sup> .....	3	2	3	3	2	2	3	3	( <sup>3</sup> )	-
Subject to copayment <sup>5</sup> .....	2	1	3	9	5	12	10	14	15	19
Percent of usual, customary, and reasonable charge .....	81	82	79	72	75	70	70	68	65	52
Less than 50 .....	-	-	-	-	( <sup>3</sup> )	( <sup>3</sup> )	-	-	1	( <sup>3</sup> )
50 .....	1	1	3	3	41	42	5	5	47	36
60 .....	1	1	2	2	9	9	2	2	9	5
61-74 .....	-	-	1	1	( <sup>3</sup> )	( <sup>3</sup> )	1	1	( <sup>3</sup> )	( <sup>3</sup> )
75 .....	1	1	3	3	1	1	3	3	1	1
80 .....	12	13	43	42	16	10	42	42	4	6
85 .....	-	( <sup>3</sup> )	( <sup>3</sup> )	( <sup>3</sup> )	( <sup>3</sup> )	( <sup>3</sup> )	( <sup>3</sup> )	( <sup>3</sup> )	-	-
90 .....	2	2	6	7	( <sup>3</sup> )	( <sup>3</sup> )	6	6	-	-
100 <sup>6</sup> .....	65	64	20	14	7	7	11	9	3	4
Discounted benefit <sup>7</sup> .....	( <sup>3</sup> )	( <sup>3</sup> )	( <sup>3</sup> )	( <sup>3</sup> )	( <sup>3</sup> )	( <sup>3</sup> )	( <sup>3</sup> )	( <sup>3</sup> )	( <sup>3</sup> )	( <sup>3</sup> )
Subject to overall plan provisions only <sup>8</sup> .....	1	1	1	1	-	1	1	1	-	-
Not covered .....	-	-	-	1	4	2	2	-	7	28
Not determinable .....	( <sup>3</sup> )	( <sup>3</sup> )	( <sup>3</sup> )	( <sup>3</sup> )	1	( <sup>3</sup> )	( <sup>3</sup> )	( <sup>3</sup> )	( <sup>3</sup> )	( <sup>3</sup> )

<sup>1</sup> Excludes plans that limited coverage to accidental injuries, removal of impacted wisdom teeth, or repair of jaw.

<sup>2</sup> Participants were included as having coverage for orthodontia in cases where benefits were limited to children.

<sup>3</sup> Less than 0.5 percent.

<sup>4</sup> Reimbursement arrangement in which the percentage of dental expenses paid by the plan increases if regular dental appointments are scheduled.

<sup>5</sup> 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.

<sup>6</sup> Includes plans that paid the full cost and plans that paid 100 percent of charges, but imposed a deductible and limited payment to a maximum dollar amount.

<sup>7</sup> Benefits provided at a discount if obtained from an approved provider.

<sup>8</sup> Reimbursement arrangement is the coinsurance provision used for all covered expenses under the plan.

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

**Table 60. Dental care benefits: Percent of full-time participants by deductible provision<sup>1</sup>, State and local governments, 1990**

Type of deductible <sup>2</sup>	All participants	Regular participants	Teachers	Police and fire-fighters
Total .....	100	100	100	100
Subject to separate dental deductible <sup>3</sup> .....	50	49	48	70
Yearly deductible only .....	48	48	44	63
Under \$25 .....	1	1	1	1
\$25 .....	23	22	25	21
\$26-\$49 .....	2	2	1	( <sup>4</sup> )
\$50 .....	21	21	17	40
\$51-\$99 .....	( <sup>4</sup> )	( <sup>4</sup> )	1	-
\$100 .....	( <sup>4</sup> )	1	( <sup>4</sup> )	1
Over \$100 .....	1	1	1	( <sup>4</sup> )
Lifetime deductible only .....	1	1	1	3
Less than \$50 .....	( <sup>4</sup> )	( <sup>4</sup> )	-	1
\$50 .....	1	1	1	2
Both yearly and lifetime deductibles .....	1	1	2	4
Subject to overall plan deductible .....	2	1	2	2
No deductible .....	48	49	50	29

<sup>1</sup> Excludes separate deductibles for orthodontic procedures.

<sup>2</sup> Amount of deductible described is for each insured person. In some plans, the individual and family deductibles are identical.

<sup>3</sup> Deductibles may not apply to all covered dental procedures. If separate deductibles applied to different procedures, the sum of the deductible amounts was tabulated.

<sup>4</sup> 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 61. Dental care benefits: Percent of full-time participants by yearly maximum amount of coverage,<sup>1</sup> State and local governments, 1990**

Dollar amount <sup>2</sup>	All participants	Regular participants	Teachers	Police and fire-fighters
Total .....	100	100	100	100
Yearly maximum specified <sup>3</sup> .....	76	75	76	81
Less than \$500 .....	( <sup>4</sup> )	( <sup>4</sup> )	( <sup>4</sup> )	-
\$500 .....	2	2	1	5
\$501-\$749 .....	1	1	1	( <sup>4</sup> )
\$750 .....	7	7	7	3
\$751-\$999 .....	3	3	1	11
\$1,000 .....	41	39	44	41
\$1,001-\$1,499 .....	6	7	5	4
\$1,500 .....	10	9	13	7
\$1,501-\$1,999 .....	1	1	( <sup>4</sup> )	-
\$2,000 .....	5	5	2	11
\$2,001-\$2,999 .....	1	( <sup>4</sup> )	1	( <sup>4</sup> )
No yearly maximum .....	24	25	24	19

<sup>1</sup> Includes all covered dental procedures except orthodontia. Amount of maximum specified is for each insured person.

<sup>2</sup> Coverage for dental procedures may also be subject to scheduled allowance, deductible, or coinsurance provisions in addition to maximum dollar limitations.

<sup>3</sup> If separate yearly maximums applied to different procedures, the sum of the maximums was tabulated. Maximums applied to dental expenses only.

<sup>4</sup> 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 62. Dental care benefits: Percent of full-time participants in plans with orthodontic benefits by lifetime maximum amount of coverage, State and local governments, 1990**

Dollar amount <sup>1</sup>	All participants	Regular participants	Teachers	Police and fire-fighters
Total .....	100	100	100	100
Lifetime maximum specified .....	69	69	72	62
Less than \$500 .....	( <sup>2</sup> )	1	( <sup>2</sup> )	1
\$500 .....	8	8	8	6
\$501-\$749 .....	4	4	5	2
\$750 .....	3	3	4	4
\$751-\$999 .....	3	3	3	3
\$1,000 .....	29	28	31	28
\$1,001-\$1,499 .....	13	13	13	8
\$1,500 .....	6	6	5	9
Greater than \$1,500 .....	3	3	3	2
No lifetime maximum .....	31	31	28	38
Provision not determinable .....	( <sup>2</sup> )	( <sup>2</sup> )	-	( <sup>2</sup> )

<sup>1</sup> Coverage for dental procedures may also be subject to scheduled allowance, deductible, or coinsurance provisions in addition to maximum dollar limitations.

<sup>2</sup> 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 63. Dental care benefits: Percent of full-time participants by provision for preauthorization of treatment, State and local governments, 1990**

Item	All participants	Regular participants	Teachers	Police and fire-fighters
Total .....	100	100	100	100
Preauthorization required .....	54	54	54	52
Minimum expense requiring preauthorization:				
\$100 .....	8	8	9	6
\$101 - \$199 .....	5	5	5	8
\$200 .....	24	26	21	15
Greater than \$200 .....	8	7	8	17
Dollar amount not determinable .....	9	8	10	6
Preauthorization not required .....	46	46	46	48

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

**Table 64. Dental care benefits: Percent of full-time participants in contributory stand-alone plans<sup>1</sup> by type and amount of employee contribution, State and local governments, 1990**

Type and amount of contribution	Employee coverage	Family coverage <sup>2</sup>	Type and amount of contribution	Employee coverage	Family coverage <sup>2</sup>
<b>All participants</b>			<b>Teachers</b>		
Total .....	100	100	Total .....	100	100
Flat monthly amount .....	61	74	Flat monthly amount .....	57	69
Less than \$2.00 .....	15	( <sup>3</sup> )	Less than \$2.00 .....	8	1
\$2.00-\$4.99 .....	14	5	\$2.00-\$4.99 .....	14	2
\$5.00-\$9.99 .....	17	5	\$5.00-\$9.99 .....	16	2
\$10.00-\$14.99 .....	4	10	\$10.00-\$14.99 .....	5	11
\$15.00-\$19.99 .....	( <sup>3</sup> )	12	\$15.00-\$19.99 .....	1	8
\$20.00-\$24.99 .....	-	15	\$20.00-\$24.99 .....	-	18
\$25.00 or greater .....	6	23	\$25.00 or greater .....	8	24
Composite rate <sup>4</sup> .....	5	4	Composite rate <sup>4</sup> .....	5	3
Amount varies by employee <sup>5</sup> .....	22	12	Amount varies by employee <sup>5</sup> .....	28	17
Amount varies by earnings .....	3	2	Amount varies by earnings .....	6	3
Not determinable .....	13	12	Not determinable .....	9	11
<b>Regular participants</b>			<b>Police and firefighters</b>		
Total .....	100	100	Total .....	100	100
Flat monthly amount .....	61	75	Flat monthly amount .....	81	85
Less than \$2.00 .....	16	( <sup>3</sup> )	Less than \$2.00 .....	25	-
\$2.00-\$4.99 .....	14	6	\$2.00-\$4.99 .....	15	7
\$5.00-\$9.99 .....	17	5	\$5.00-\$9.99 .....	31	16
\$10.00-\$14.99 .....	4	9	\$10.00-\$14.99 .....	-	14
\$15.00-\$19.99 .....	( <sup>3</sup> )	13	\$15.00-\$19.99 .....	( <sup>3</sup> )	18
\$20.00-\$24.99 .....	-	13	\$20.00-\$24.99 .....	-	20
\$25.00 or greater .....	5	24	\$25.00 or greater .....	9	10
Composite rate <sup>4</sup> .....	5	4	Composite rate <sup>4</sup> .....	-	1
Amount varies by employee <sup>5</sup> .....	21	11	Amount varies by employee <sup>5</sup> .....	6	4
Amount varies by earnings .....	3	1	Not determinable .....	13	11
Not determinable .....	15	13			

<sup>1</sup> Plans that exclusively provide dental benefits.

<sup>2</sup> 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.

<sup>3</sup> Less than 0.5 percent.

<sup>4</sup> 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.

<sup>5</sup> Amount varies by options selected under a "cafeteria plan" or balance of employer-sponsored reimbursement account.

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

**Table 65. Vision care benefits: Percent of full-time participants by extent of coverage for selected benefits, State and local governments, 1990**

Type of vision benefit	Total	Covered	Covered in full	Subject to internal limits					Subject to overall limitations only	Not covered	Not determinable
				Total <sup>1</sup>	Scheduled allowance	Coinsurance	Copayment	Retail discount <sup>2</sup>			
<b>All participants</b>											
Examinations .....	100	98	38	60	29	2	31	-	( <sup>3</sup> )	1	1
Eyeglasses .....	100	100	33	66	40	1	23	5	1	-	-
Contact lenses <sup>4</sup> .....	100	97	5	91	75	1	22	5	1	3	1
<b>Regular participants</b>											
Examinations .....	100	98	38	60	30	2	28	-	( <sup>3</sup> )	1	1
Eyeglasses .....	100	100	33	66	41	2	21	5	1	-	-
Contact lenses <sup>4</sup> .....	100	97	5	91	74	2	19	5	1	2	1
<b>Teachers</b>											
Examinations .....	100	97	39	58	22	1	36	-	1	1	2
Eyeglasses .....	100	100	37	62	35	1	28	3	1	-	-
Contact lenses <sup>4</sup> .....	100	98	3	93	77	1	31	3	1	2	( <sup>3</sup> )
<b>Police and firefighters</b>											
Examinations .....	100	100	29	71	39	( <sup>3</sup> )	32	-	-	( <sup>3</sup> )	-
Eyeglasses .....	100	100	16	84	54	-	23	8	-	-	-
Contact lenses <sup>4</sup> .....	100	92	3	89	77	2	8	6	-	5	3

<sup>1</sup> The total is less than the sum of the individual items because workers may participate in plans with more than one type of limitation.

<sup>2</sup> Provided at discount if purchased at an approved dealer.

<sup>3</sup> Less than 0.5 percent.

<sup>4</sup> Includes plans where coverage was subject to special conditions, for

example, following cataract surgery.

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

This chapter presents details of employer-provided life insurance protection, including the methods used to provide basic life insurance, the effect that age and retirement have on insurance, and the availability and amount of coverage for an employee's dependents. In addition, the prevalence of such related coverages as accidental death and dismemberment insurance, survivor income benefits, and supplemental life insurance are examined.

Life insurance plans covered 88 percent of full-time employees in State and local governments in 1990 (tables 66-74). Generally, the cost of basic life insurance was paid entirely by the employer. However, where employee payments were required, it was most commonly stated as a flat amount per \$1,000 of coverage, such as 15 cents per \$1,000 of coverage. Other less common methods for specifying employee payments included dollar amounts that varied based on earnings and composite rates. A composite rate is a set payment covering more than one benefit area. Cost data for individual plans that make up this rate could not be separated. For example, a plan may provide coverage for health and life insurance at one monthly rate of \$25.

### Types and amounts of benefit formulas

The most prevalent method for determining basic life insurance was a flat dollar amount of coverage. Such coverage was provided to three-fifths of life insurance plan participants. This type of life insurance was more prevalent for police and firefighters and teachers than among regular participants. The average flat-dollar amount of life insurance coverage was highest for police and firefighters (\$16,475), while teachers averaged \$14,905 and regular participants averaged \$12,847.

Insurance protection of between \$5,000 and \$15,000 was most prevalent among participants in plans specifying a flat dollar amount of insurance. A small percent of participants in such plans had coverage of \$50,000 or more; teachers more often had these larger benefits.

Two-fifths of full-time participants in State and local governments were provided basic life insurance coverage linked to their pay. Coverage of this type provides participants with a level of protection that increases automatically with a rise in pay. Such formulas were more prevalent among regular participants than among the other two groups. The most common method of tying life insurance to pay was to provide a benefit equal to the em-

ployee's annual salary, rounded to the next \$1,000. For example, an employee whose annual pay was \$22,300 would receive \$23,000 of coverage under a plan providing 1 times pay (\$22,300 rounded up to the next \$1,000, or \$23,000).

The average multiple-of-pay benefit formula was 1.7 times pay. Forty-five percent of all participants in these plans had insurance equal to their annual pay. A multiple of earnings benefit formula equal to twice annual pay or more accounted for 38 percent of participants, and 17 percent of participants had a multiple of earnings benefit formula of 3 times their annual salary. Such large benefits are at least partly the result of selected establishments that provide a large life insurance benefit through the employee's defined benefit pension plan. A benefit formula of 3 times an employee's annual earnings was more prevalent among regular participants than the other two groups.

Sixty-three percent of participants covered by multiple-of-pay plans had no limit placed on the amount of coverage available. In those plans that had limits, the most prevalent maximums observed were between \$50,000 and \$249,999. Eight percent of participants in plans with a multiple-of-pay formula had a maximum of less than \$50,000.

### Coverage for older active workers and retirees

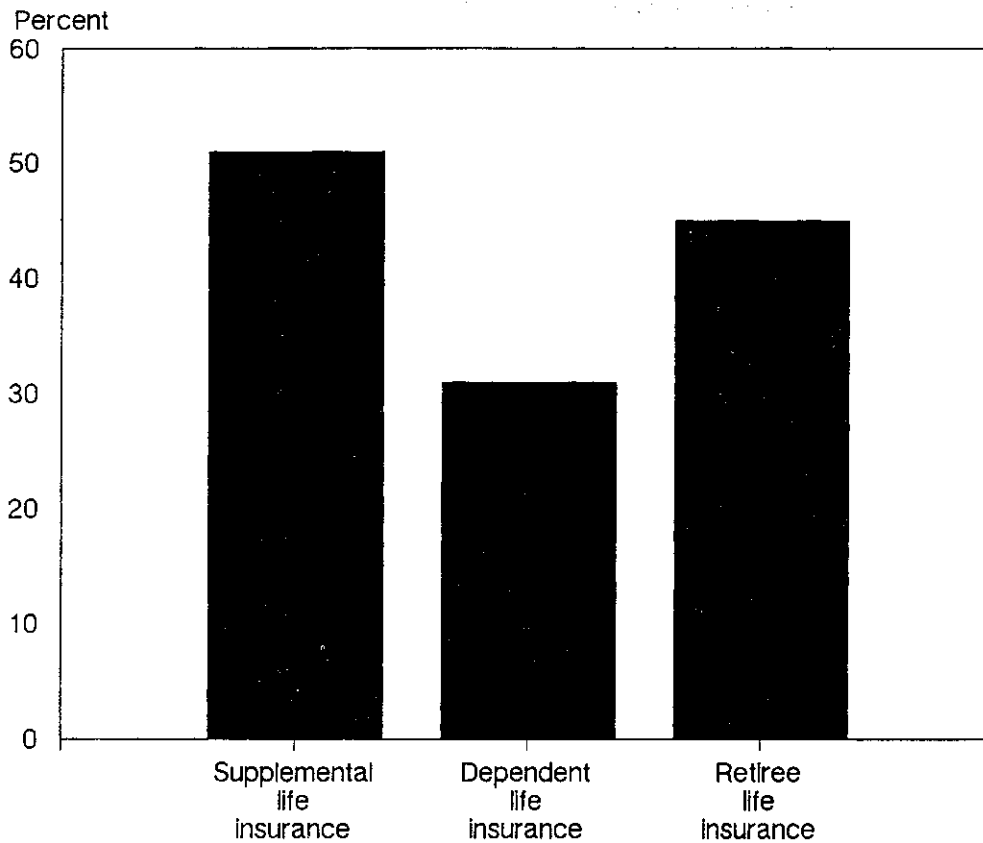
Three-tenths of participants were in plans where older active workers faced reduced benefits. Coverage is reduced to account for the increased cost of insuring older workers.<sup>27</sup> Of the participants whose plans reduced coverage, four-fifths would have their first reduction at either age 65 or 70. It was not common for reductions to occur before age 65.

Many plans reduced coverage for older workers only once, typically to 50 percent of the original life insurance amount. Other plans reduced coverage in several stages. One common provision was to reduce coverage to 65 percent at age 65, then to 50 percent at age 70.

Basic life insurance coverage continued after retirement for 45 percent of the full-time participants in State and local government establishments. This coverage almost always continued for the remainder of the retiree's life, but

<sup>27</sup> 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.

**Chart 2. Life insurance: Percent of full-time participants with supplemental, dependent, and retiree coverage, State and local governments, 1990**



the amount of the benefit was usually reduced at least once during retirement.<sup>28</sup> (See chart 2.)

### **Related protection**

Accidental death and dismemberment (AD&D) insurance was available to two-thirds of the life insurance plan participants. This insurance provides additional benefits if a worker dies or loses an eye or a limb in an accident. For virtually all of these workers, the AD&D benefit equaled the basic life insurance benefit for accidental death, and a portion of that benefit for dismemberment.<sup>29</sup>

Benefits supplementing basic life insurance coverage were available to one-half of the participants. In the majority of cases, these employees were required to pay the full premium for such benefits. The typical supplemental plan provided term life insurance in multiples of 1- to 3-times annual pay, at the employee's option. Supplemental coverage was more prevalent for employees who had

their basic insurance determined by a flat dollar amount of coverage than for those with a multiple-of-pay formula.

Life insurance coverage for dependents was available to 31 percent of participants. The vast majority of the workers with this coverage were required to pay the entire premium to obtain coverage, while the remainder had available either joint employee-employer paid or entirely employer-paid dependent coverage. The most prevalent method used to provide dependent coverage was a flat dollar benefit. In such plans, spouse coverage averaged \$3,545, and coverage for children averaged \$2,242 in 1990. Among other plans, the employee often had the option to select specific benefits.

Plans providing a monthly income to surviving members of an employee's family were rare. These survivor income benefits were in addition to other benefits, such as basic life insurance and survivor pension benefits. Survivor income payments were generally a percentage of the employee's pay or a flat dollar amount. Benefits usually continued for 24 months, although some continued until a specific event occurred, such as the surviving spouse remarrying or reaching age 65, or surviving children reaching a given age.

<sup>28</sup> 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.

<sup>29</sup> 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.



## Service requirements

One-fourth of all life insurance participants were required to work a minimum period to qualify for the plan.

The most common service requirement for such workers was 1 month, followed closely by 3 months and 1 year. For another third of participants, the service requirement could not be determined.

**Table 66. Life insurance: Percent of full-time participants by method of determining amount of basic life insurance and frequency of related coverages, State and local governments, 1990**

Item	All participants	Regular participants	Teachers	Police and fire-fighters
Total .....	100	100	100	100
Basic life insurance <sup>1</sup> .....	99	99	100	100
Based on earnings .....	39	43	33	32
Multiple <sup>2</sup> .....	37	40	30	29
Graduated schedule .....	3	3	2	2
Flat amount .....	60	56	67	68
Flat amount based on service .....	( <sup>3</sup> )	( <sup>3</sup> )	( <sup>3</sup> )	-
Other .....	( <sup>3</sup> )	( <sup>3</sup> )	( <sup>3</sup> )	-
Accidental death and dismemberment coverage .....	67	66	66	75
Survivor income benefit <sup>4</sup> .....	1	( <sup>3</sup> )	1	( <sup>3</sup> )
Supplemental benefits available .....	51	51	52	49
Wholly employee paid .....	44	44	43	45
Dependent coverage available .....	31	32	27	33
Wholly employee paid .....	27	28	25	25

<sup>1</sup> A few participants received only accidental death and dismemberment insurance or survivor income benefits.

<sup>2</sup> Includes participants in plans in which insurance equaled a multiple of earnings, plus or minus a specific amount.

<sup>3</sup> Less than 0.5 percent.

<sup>4</sup> Consists of monthly income, usually a percent of earnings, for the spouse or dependent children for a specified period after death of employee.

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

**Table 67. Life insurance: Percent of full-time participants in plans with multiple-of-earnings formulas<sup>1</sup> by amount of basic insurance and maximum coverage provisions, State and local governments, 1990**

Formula	Total	In plans without maximum coverage	In plans with maximum coverage						
			All	Less than \$50,000	\$50,000-\$99,999	\$100,000-\$249,999	\$250,000-\$499,999	\$500,000-\$999,999	\$1,000,000 or more
<b>All participants</b>									
Total .....	100	63	37	8	12	11	5	( <sup>2</sup> )	( <sup>2</sup> )
Life insurance is equal to annual earnings times: <sup>3</sup>									
Less than 1.0 .....	1	1	( <sup>2</sup> )	-	-	( <sup>2</sup> )	-	-	-
1.0 .....	45	27	17	5	6	5	1	( <sup>2</sup> )	-
1.1-1.4 .....	3	2	1	( <sup>2</sup> )	1	-	-	-	-
1.5 .....	13	10	2	-	( <sup>2</sup> )	1	1	-	-
1.6-1.9 .....	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	-	-	( <sup>2</sup> )	-	-	-
2.0 .....	19	11	7	-	1	4	2	( <sup>2</sup> )	( <sup>2</sup> )
2.1-2.4 .....	( <sup>2</sup> )	( <sup>2</sup> )	-	-	-	-	-	-	-
2.5 .....	1	( <sup>2</sup> )	1	-	-	( <sup>2</sup> )	1	-	-
3.0 .....	17	9	8	3	4	1	-	-	-
More than 3.0 .....	1	1	( <sup>2</sup> )	-	( <sup>2</sup> )	-	-	-	-
Multiple varying with earnings .....	1	1	-	-	-	-	-	-	-
<b>Regular participants</b>									
Total .....	100	62	38	8	13	11	6	( <sup>2</sup> )	( <sup>2</sup> )
Life insurance is equal to annual earnings times: <sup>3</sup>									
Less than 1.0 .....	1	1	( <sup>2</sup> )	-	-	( <sup>2</sup> )	-	-	-
1.0 .....	45	28	16	4	6	4	1	( <sup>2</sup> )	-
1.1-1.4 .....	1	1	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	-	-	-	-
1.5 .....	12	10	2	-	( <sup>2</sup> )	1	1	-	-
1.6-1.9 .....	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	-	-	( <sup>2</sup> )	-	-	-
2.0 .....	18	10	8	-	1	4	3	( <sup>2</sup> )	( <sup>2</sup> )
2.1-2.4 .....	( <sup>2</sup> )	( <sup>2</sup> )	-	-	-	-	-	-	-
2.5 .....	2	( <sup>2</sup> )	1	-	-	( <sup>2</sup> )	1	-	-
3.0 .....	20	9	10	3	6	1	-	-	-
More than 3.0 .....	1	1	( <sup>2</sup> )	-	( <sup>2</sup> )	-	-	-	-
Multiple varying with earnings .....	1	1	-	-	-	-	-	-	-
<b>Teachers</b>									
Total .....	100	67	33	7	10	13	2	( <sup>2</sup> )	-
Life insurance is equal to annual earnings times: <sup>3</sup>									
Less than 1.0 .....	-	-	-	-	-	-	-	-	-
1.0 .....	42	22	20	6	5	8	1	( <sup>2</sup> )	-
1.1-1.4 .....	8	6	2	( <sup>2</sup> )	1	-	-	-	-
1.5 .....	17	14	3	-	1	2	-	-	-
1.6-1.9 .....	( <sup>2</sup> )	( <sup>2</sup> )	-	-	-	-	-	-	-
2.0 .....	21	15	6	-	3	3	1	( <sup>2</sup> )	-
2.5 .....	1	( <sup>2</sup> )	( <sup>2</sup> )	-	-	-	( <sup>2</sup> )	-	-
3.0 .....	10	10	1	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	-	-	-
More than 3.0 .....	( <sup>2</sup> )	( <sup>2</sup> )	-	-	-	-	-	-	-

See footnotes at end of table.

**Table 67. Life insurance: Percent of full-time participants in plans with multiple-of-earnings formulas<sup>1</sup> by amount of basic insurance and maximum coverage provisions, State and local governments, 1990—Continued**

Formula	Total	In plans without maximum coverage	In plans with maximum coverage						
			All	Less than \$50,000	\$50,000-\$99,999	\$100,000-\$249,999	\$250,000-\$499,999	\$500,000-\$999,999	\$1,000,000 or more
<b>Police and firefighters</b>									
Total .....	100	65	35	13	6	9	6	-	2
Life insurance is equal to annual earnings times: <sup>3</sup>									
Less than 1.0 .....	-	-	-	-	-	-	-	-	-
1.0 .....	52	36	17	7	5	3	2	-	-
1.1-1.4 .....	5	1	4	4	-	-	2	-	-
1.5 .....	7	3	5	-	( <sup>1</sup> )	1	4	-	-
2.0 .....	18	10	8	-	-	5	1	-	2
2.5 .....	-	-	-	-	-	-	-	-	-
3.0 .....	7	5	2	2	( <sup>1</sup> )	-	-	-	-
More than 3.0 .....	11	11	-	-	-	-	-	-	-

<sup>1</sup> Includes participants in plans in which insurance equaled a multiple of earnings, plus or minus a specific amount. In such cases, only the multiple of earnings was included in the tabulation.

<sup>2</sup> Less than 0.5 percent.

<sup>3</sup> When the multiple-of-earnings formula varied with age, the maximum multiple was tabulated. A few plans varied the multiple-of-earnings for-

mula according to service; in these cases, a participant was assumed to have 15 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 68. Life insurance: Percent of full-time participants in plans with flat dollar insurance<sup>1</sup> by amount of basic insurance, State and local governments, 1990**

Amount of insurance	All participants	Regular participants	Teachers	Police and firefighters
Total .....	100	100	100	100
Less than \$2,000 .....	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )
\$2,000-\$4,999 .....	10	10	12	2
\$5,000-\$9,999 .....	24	24	24	25
\$10,000-\$14,999 .....	33	37	26	26
\$15,000-\$19,999 .....	9	9	7	11
\$20,000-\$24,999 .....	9	8	10	9
\$25,000-\$29,999 .....	7	6	6	14
\$30,000-\$49,999 .....	5	3	9	9
\$50,000-\$99,999 .....	4	3	6	4
\$100,000 and over .....	( <sup>1</sup> )	( <sup>1</sup> )	-	-

<sup>1</sup> Excludes participants in plans where insurance was a flat amount based on service.

<sup>2</sup> 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 69. Life insurance: Percent of full-time participants by provisions for age-related reduction of basic life insurance benefits for current employees, State and local governments, 1990**

Provision	All participants	Regular participants	Teachers	Police and firefighters
Total .....	100	100	100	100
Life insurance changes .....	30	32	26	28
Life insurance reduced .....	30	32	26	28
Reduction begins at:				
Age 60 or before .....	3	4	3	3
Ages 61 to 64 .....	3	3	2	1
Age 65 .....	13	14	10	14
Ages 66 to 69 .....	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	-
Age 70 .....	11	11	10	11
Age 71 or later .....	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )
Reduction in maximum life insurance benefits .....	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	-
Life insurance benefits do not change .....	70	68	74	72

<sup>1</sup> 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 70. Life insurance: Percent of full-time participants by effect of retirement on basic life insurance coverage, State and local governments, 1990**

Item	All participants	Regular participants	Teachers	Police and fire-fighters
Total .....	100	100	100	100
With coverage <sup>1</sup> .....	45	47	40	49
Without coverage .....	50	49	54	47
Not determinable .....	5	4	6	4

<sup>1</sup> Includes plans in which coverage is fully paid by retiree.

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

**Table 72. Life insurance: Percent of full-time participants in plans with multiple of earnings and flat dollar amounts of insurance by availability of supplemental benefits, State and local governments, 1990**

Item	All participants	Regular participants	Teachers	Police and fire-fighters
Multiple of earnings .....	100	100	100	100
With supplemental benefits .....	41	38	49	52
Without supplemental benefits .....	59	62	50	48
Not determinable .....	( <sup>1</sup> )	1	( <sup>1</sup> )	-
Flat amount .....	100	100	100	100
With supplemental benefits .....	56	58	53	46
Without supplemental benefits .....	44	42	47	54
Not determinable .....	( <sup>1</sup> )	( <sup>1</sup> )	-	-

<sup>1</sup> 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. Life insurance: Percent of full-time participants with accidental death and dismemberment benefits by amount of coverage,<sup>1</sup> State and local governments, 1990**

Item	All participants	Regular participants	Teachers	Police and fire-fighters
Total .....	100	100	100	100
Multiple of life insurance benefit .....	95	95	95	94
Less than 1 times .....	1	1	1	( <sup>2</sup> )
1 times .....	92	92	92	93
Greater than 1 times .....	2	2	2	1
Flat amount .....	5	5	5	6
Less than \$5,000 .....	1	2	1	1
\$5,000-\$9,999 .....	1	1	1	1
\$10,000-\$19,999 .....	1	1	1	3
\$20,000-\$29,999 .....	1	1	1	1
\$30,000 or greater .....	1	1	2	( <sup>2</sup> )
Other <sup>3</sup> .....	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )

<sup>1</sup> Benefits shown are payable for accidental death and are the maximum payable for dismemberment.

<sup>2</sup> Less than 0.5 percent.

<sup>3</sup> Includes plans in which basic life insurance benefits are expressed as a flat dollar amount and accidental death and dismemberment benefits are expressed as a multiple of earnings.

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

**Table 73. Life insurance: Percent of full-time participants with dependent coverage available, by type and amount of coverage, State and local governments, 1990**

Type and amount of coverage	All participants	Regular participants	Teachers	Police and fire-fighters
Total .....	100	100	100	100
Death of spouse .....	100	100	100	100
Flat benefit .....	73	72	78	64
Less than \$1,000 .....	( <sup>1</sup> )	( <sup>1</sup> )	2	-
\$1,000 .....	11	10	14	9
\$1,500 .....	1	1	3	-
\$2,000 .....	17	19	11	14
\$2,500 .....	7	6	12	7
\$3,000 .....	6	6	6	6
\$3,001 to \$3,999 .....	1	1	1	-
\$4,000 .....	2	2	( <sup>1</sup> )	1
\$5,000 .....	20	18	23	22
More than \$5,000 .....	7	7	7	4
Benefit varies .....	20	22	13	20
By age of spouse .....	( <sup>1</sup> )	( <sup>1</sup> )	-	( <sup>1</sup> )
By age of employee .....	2	2	2	1
By employee earnings .....	1	1	1	-
By employee option .....	12	13	7	15
By amount of employee life insurance coverage .....	5	5	3	3
Amount of coverage not determinable .....	8	6	9	17
Death of child .....	98	99	99	91
Flat benefit .....	72	72	77	63
Less than \$1,000 .....	4	4	4	1
\$1,000 .....	18	17	19	24
\$1,500 .....	1	1	2	4
\$2,000 .....	23	25	19	14
\$2,500 .....	9	9	10	9
\$3,000 .....	7	8	5	( <sup>1</sup> )
\$3,001 to \$3,999 .....	2	2	2	-
\$4,000 .....	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	-
\$5,000 .....	8	6	14	11
More than \$5,000 .....	1	( <sup>1</sup> )	1	( <sup>1</sup> )
Benefit varies .....	18	21	13	11
By age of child <sup>2</sup> .....	4	4	3	2
By age of employee .....	1	1	1	-
By employee earnings .....	1	( <sup>1</sup> )	2	-
By employee option .....	12	14	6	9
By amount of employee life insurance coverage .....	1	1	1	-
Amount of coverage not determinable .....	8	6	9	17
Insurance on child not provided ..	2	1	1	9

<sup>1</sup> Less than 0.5 percent.

<sup>2</sup> Amount of insurance increases at some point after 1 year of age.

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

**Table 74. Life insurance: Percent of full-time participants by length-of-service requirements for participation,<sup>1</sup> State and local governments, 1990**

Length-of-service requirement	All participants	Regular participants	Teachers	Police and fire-fighters
Total .....	100	100	100	100
With service requirement .....	24	28	14	16
1 month .....	8	9	5	6
2 months .....	1	1	1	1
3 months .....	7	7	6	7
6 months .....	2	2	1	1
1 year .....	6	9	( <sup>2</sup> )	1
Over 1 year .....	( <sup>2</sup> )	( <sup>2</sup> )	1	( <sup>2</sup> )
Without service requirement .....	43	41	49	39
Service requirement not determinable .....	34	31	37	44

<sup>1</sup> Length of time employees must be on the job before they are covered by a plan that is at least partially employer financed. There is frequently an administrative time lag between completion of the requirement and the actual start of participation. If the lag was 1 month or more, it was included in the service requirement. Minimum age requirements are rare.

<sup>2</sup> 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 6. Defined Benefit and Defined Contribution Retirement Plans

Ninety-six percent of the full-time employees in State and local governments—approximately 12.5 million employees—had retirement plans in 1990, through defined benefit or defined contribution plans. A large majority of participants in retirement plans were enrolled in only one plan (table 75).

Defined benefit pension plans use predetermined formulas to calculate a retirement benefit, and obligate the employer to provide those benefits. Benefits generally are based on salary, years of service, or both. Defined contribution plans generally specify the level of employer and employee contributions to a plan, but not the formula for determining eventual benefits as in a defined benefit pension plan. Instead, individual accounts are set up for participants, and benefits are based on amounts credited to these accounts, plus investment earnings. The risk of fluctuation in investment earnings, however, is borne by the employee.

As in the Bureau's first survey of State and local governments, defined benefit plans continue to be predominant, covering 90 percent of the full-time employees. Defined contribution plans covered 9 percent of full-time employees, including 3 percent who participated in both types of plans. Nearly all defined contribution plan participants had retirement coverage through money purchase pension plans. These plans covered 8 percent of the employees and provide an annuity or other form of retirement income determined by fixed contribution rates plus earnings attributed to the employee's account.

Unlike the private sector where 14 percent of the full-time employees in medium and large establishments in 1989 were in defined contribution plans that were used for capital accumulation purposes, all defined contribution plans in State and local governments in 1990 were used for retirement purposes. Capital accumulation plans provide employees an opportunity to put aside assets for long-term purposes with little or no restrictions on withdrawals; in contrast, retirement plans impose stringent limitations on withdrawals.

## Defined Benefit Plans

Nine of 10 full-time employees in State and local governments participated in defined benefit pension plans

in 1990. In contrast, only 1 of 10 full-time government employees was covered by a defined contribution plan.

## Benefit formulas

Nearly all of the full-time employees covered by defined benefit pension plans were subject to formulas based on terminal earnings (table 76). Such formulas pay a percent of the employee's annual earnings per year of service based on earnings in the final years of employment. For 69 percent of the participants in these plans, terminal earnings were defined as a 3-year average (table 77). Formulas usually designated the 3 consecutive years that produced the employee's highest average earnings as those to be used in the benefit calculation.

Terminal earnings formulas typically provided participants with a flat percent of earnings per year of service (table 78). The rates averaged 1.9 percent for all full-time participants, and ranged from 1.9 percent for teachers and regular participants to 2.2 percent for police and firefighters.

Terminal earnings was the primary basis of pension formulas for nearly all government employees. Two additional computational methods, career earnings formulas and cash account formulas, were used as the primary basis for less than 1 percent of the employees. Career earnings formulas specify a percent of earnings averaged over the employee's career. Cash account pension plans specify an employer contribution and guarantee a rate of interest on that contribution. Benefits are based on the value of the employee's account at retirement.

Thirty percent of all full-time pension plan participants were eligible to receive benefits under either a primary or an alternative formula, depending on which provided the greater benefit. Alternative formulas were often included to provide a minimum level of benefits for persons with short service or low earnings. For example, a plan may have a primary formula of 1.5 percent of terminal earnings times years of service, and an alternative formula of \$25 per month for each year of service. In this case, the alternative formula would provide a higher benefit for persons with terminal earnings of less than \$20,000 a year. In 1990, when a pension plan participant had both a primary and an alternative formula, the primary formula was always based on terminal earnings while the alternative formulas

were split rather evenly between a second terminal earnings formula and dollar amount formulas, which specify a flat dollar amount times years of service.

### **Pension benefits and Social Security payments**

Unlike the private sector, employees in State and local governments are not universally covered by Social Security. Instead, individual governments have the option of electing Social Security coverage. Social Security coverage among full-time participants in State and local governments varied significantly by occupational group: 80 percent of regular employees were covered, compared to 71 percent of teachers and 63 percent of police and firefighters (table 79).

State and local government pension plans do not explicitly integrate (coordinate) pension benefits with Social Security as frequently as private pension plans do. For instance, in 1989, 63 percent of pension plan participants in medium and large private establishments were covered by plans that integrated regular pension benefits with Social Security payments, whereas in 1990, only 8 percent of pension plan participants in State and local governments were covered by such plans. This is partly explained by the absence of Social Security coverage for some government employees, but, even among pension plan participants covered under Social Security, only 11 percent were affected by integrated formulas.

Integration of pension benefits with Social Security can occur through an offset provision or an "excess" formula. With an offset provision, part of the employee's Social Security benefit is subtracted from the pension benefit. In an excess formula, a lower pension benefit rate is applied to earnings below a specified level (step rate formula). The specified level is either the Social Security taxable wage base—usually the career average—or a dollar amount equal to a past Social Security wage base. Of those employees with integration features, excess formulas were predominant.<sup>30</sup>

### **Maximum benefit provisions**

The Employee Retirement Income Security Act of 1974 (ERISA) and subsequent amendments place ceilings on the amount of annual pension benefits payable from private sector defined benefit plans. These restrictions largely affect relatively high-paid employees. Many individual plans in governments as well as in the private sector have provisions that restrict benefit levels for all participants.

<sup>30</sup> For a comprehensive analysis of private benefit formulas with Social Security integration characteristics, see Donald Bell and Diane Hill, "How Social Security Payments Affect Private Pensions," *Monthly Labor Review*, May 1984, pp. 15-20. See also William J. Wiatrowski, "New Survey Data on Pension Benefits," *Monthly Labor Review*, August 1991, pp. 8-22.

For example, 35 percent of full-time participants were in government pension plans that limited the number of years of service included in benefit computations (table 80). Maximums of 21 to 34 years were most common among regular employees while maximums of 30 to 40 years were most prevalent among teachers. Police and firefighters, who were more likely to be subject to limits on years of credited service, usually had lower limits, such as 20 years, included in their plans. In addition to these limits on years of service, 15 percent of full-time participants had annual pensions that would not exceed a specified percentage of terminal earnings.

### **Replacement rates**

A commonly used indicator of a pension benefit is the portion of a final year's earnings that is "replaced" by the retiree's pension. To calculate replacement rates for government defined benefit pension plans in 1990, the maximum benefit under each surveyed plan, not reduced for early retirement or joint-and-survivor annuity, was determined under several assumed combinations of final annual earnings and years of plan participation.<sup>31</sup> These benefit levels were then expressed as percents of earnings in the last year of employment. For example, employees earning \$35,000 in their final year of service had three-fifths of earnings ( $\$35,000 \times .602 = \$21,070$ ) replaced by their pension and primary Social Security benefits after 20 years of plan participation (table 82). The calculations assume employees retired on January 1, 1990, and final earnings are for 1989.<sup>32</sup>

Average replacement rates resulting from defined benefit pension plans for all employees, first alone and then in combination with primary Social Security benefits for those participating in both plans, are shown in table 81. Table 82 shows how replacement rates vary depending upon Social Security coverage. This table first presents employer-sponsored pension benefits only for employees covered by Social Security; then all retirement income for these workers, that is, employer-sponsored pension benefits plus primary Social Security payments; and, finally, employer-sponsored pension benefits for employees not covered by Social Security. (Social Security benefits for spouse and dependents were excluded from this analysis.)<sup>33</sup>

<sup>31</sup> For a discussion of pension replacement rates in the private sector, see Donald G. Schmitt, "Today's Pension Plans: How Much Do They Pay?" *Monthly Labor Review*, December 1985, pp. 19-25. For new and expanded analysis on the subject, see William J. Wiatrowski, "New Survey Data on Pension Benefits," *Monthly Labor Review*, August 1991, pp. 8-22.

<sup>32</sup> Earning histories, necessary for applying the pension formulas, were constructed for each final earnings level based on data provided by the Social Security Administration.

<sup>33</sup> The Social Security benefit for a spouse, which is 50 percent of the primary benefit, is paid in addition to the primary benefit while both partners are alive (unless the spouse is eligible for a larger primary benefit).



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 (the earliest age at which full primary Social Security benefits are available) and to have paid into Social Security for the same number of years of participation as used for the pension calculation.

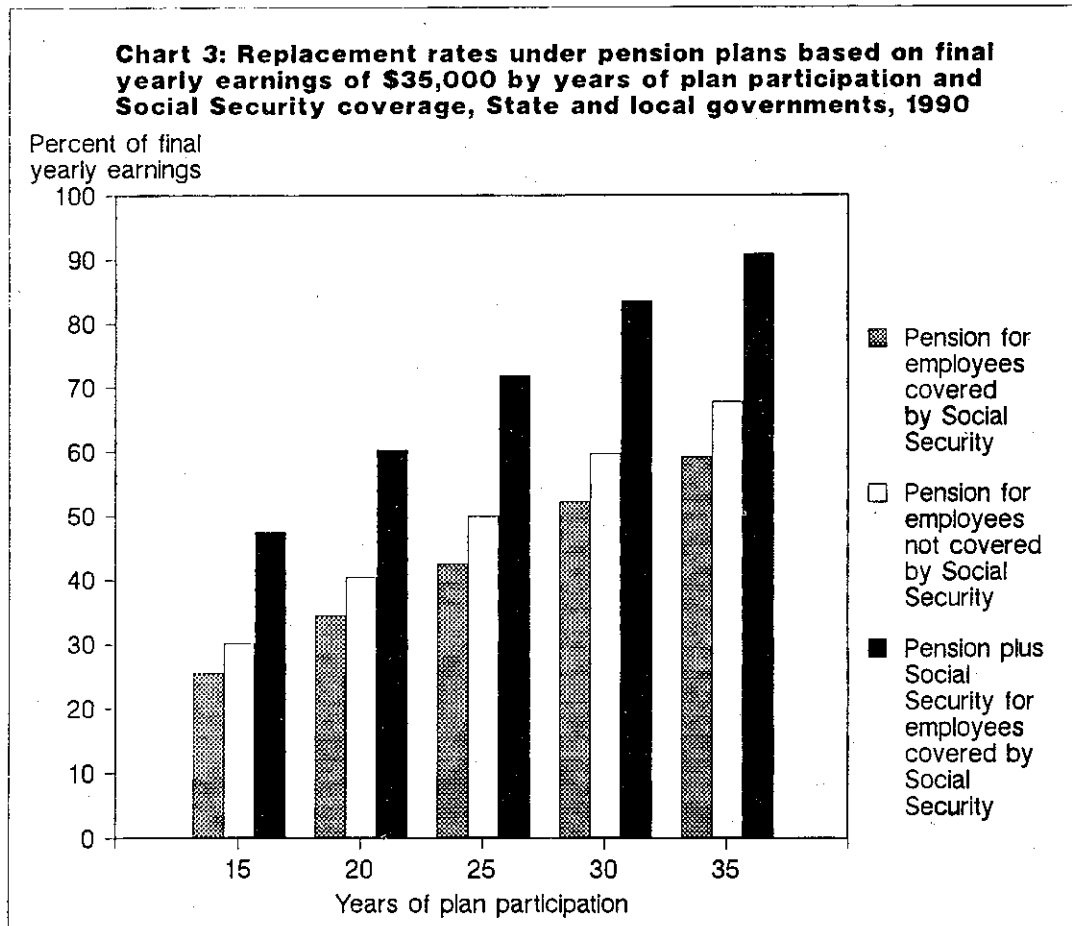
Chart 3 compares pension benefit replacement rates based on a final salary of \$35,000 over several assumed lengths of service for employees covered and not covered by Social Security. Because pension benefit formulas were almost entirely based on a percent of earnings, replacement rates vary only slightly as earnings increase.

Replacement rates under employer-sponsored pension plans are significantly different for employees covered and not covered by Social Security. Employees without Social Security generally receive consistently higher pension benefits. For example, the 30-year employee with final earnings of \$35,000 and no Social Security coverage had 60 percent of earnings replaced, while the same employee with Social Security coverage had 52 percent of earnings replaced by the employer's pension plan. These higher pension benefits do not, however, fully compensate for the lack of Social Security coverage. When total income replacement from employer pensions plus Social Security is compared to the pension benefits provided by govern-

ments not participating in Social Security, replacement rates for pension participants with Social Security were significantly higher—14 to 103 percent—than those for participants not covered by Social Security (table 82).

Total replacement rates (employer pensions plus Social Security) decreased as earnings increased, regardless of years of plan participation. For example, workers earning \$15,000 in their final year had seven-tenths of earnings replaced after 20 years of participation, while just over one half of earnings were replaced for workers at the highest earnings level computed. Also, at 30 years of participation, the total replacement rate covered nearly all of the earnings at \$15,000 and three-fourths of the earnings at \$55,000. The primary Social Security benefit payment was larger than the average government pension at lower earnings levels and fewer years of service, but the pension benefit became the greater component of retirement income as earnings and service increased.

Regardless of whether a government unit was covered by Social Security, replacement rates for police and firefighters were usually higher than those for teachers or regular employees. At 30 years of plan participation and a final salary of \$35,000 per year, police and firefighters would have nearly three-fifths of their salary replaced—5 percentage points higher than the pension replacement rates for teachers and regular employees. This differential



narrows at longer plan participation periods, due to provisions in many police and firefighter plans that limit the years of credited service.

### **Normal retirement**

Most full-time employees covered by defined benefit pension plans in State and local governments could retire at age 55 or earlier upon meeting service requirements and still receive normal (unreduced) pensions (table 83). Thirty-six percent of all participants could retire at any age after satisfying a service requirement, usually 30 years. Another 23 percent of participants could retire at age 55 with full benefits after satisfying a service requirement. The most common service requirement for these workers was 30 years.

Age and service requirements for normal retirement differ considerably between the public sector and private industry. The most notable difference was in the number of plans without age requirements. In 1989, only 8 percent of the private sector pension participants in medium and large establishments could retire at any age after satisfying a service requirement, while in 1990, 36 percent of those in the public sector had such a provision.

For government employees with pension coverage, age and service requirements varied among occupational groups. One-fifth of regular participants and nearly one-third of teachers could retire at age 55 after satisfying a service requirement, usually greater than 25 years. In contrast, just over one-third of police and firefighters could retire at age 50 to 55 after reaching a specific level of service. Police and firefighters had less stringent service requirements than other workers, typically 25 years or less.

Seven percent of all participants were covered by plans permitting normal retirement after the sum of age plus service reached a specific amount, such as 80. Plans that featured such a provision often offered other normal retirement opportunities at specified age and service requirements.

### **Early retirement**

Eighty-seven percent of regular participants and 94 percent of teachers could retire before normal retirement age and receive an immediate, but reduced pension (table 84). However, only 65 percent of police and firefighters were in such plans. This difference reflects the large proportion of police and firefighters who could retire before age 55 and receive unreduced benefits.

Early retirement was almost always at the employee's option; less than 0.5 percent of participants were in plans that required 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 of time.

For virtually all participants in pension plans that allowed early retirement, the early retirement benefit was calculated using the normal retirement formula. The benefit derived from that formula 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 (100 percent minus 18, i.e., 3 years times 6 percent). In addition to the 18-percent reduction for early retirement, the annuity in this example 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.

Forty-seven percent of participants with early retirement opportunities were subject to a reduction factor that varied by age (table 85). Half of these participants were in plans with reduction factors that differed for each year of early retirement, based on the employee's life expectancy at that age (actuarial reductions). Other age-related methods of reducing benefits, covering 24 percent of participants, approximate an actuarial reduction. For example, the reduction factor may differ for age brackets of several years instead of changing each year. Reduction factors that vary by years of service at retirement covered 9 percent of participants in pension plans permitting early retirement.

Forty-three percent of participants had uniform reduction factors, most commonly 3 to 6 percent for each year of early retirement. In plans with a low uniform reduction, such as 3 percent per year, the employer is subsidizing some of the early retirement benefit by making the reduction less severe than if benefits were computed actuarially.

Thirty-seven percent of all participants were covered by plans permitting early retirement at age 55; in most instances, at least 10 years of service was required. If specific service requirements were satisfied, 46 percent of participants could retire earlier than age 55. Most of these participants could retire with reduced benefits at any age, generally after 25 and 30 years of service. Police and firefighters were less likely to have early retirement options because, in many instances, they could receive unreduced normal retirement benefits at earlier ages.

### **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 disability retirement benefit might be deferred until the other forms of income have ceased. Nearly all pension plan participants (96 percent) in State and local governments were covered by some type of disability retirement provision in 1990 (table 86). To be eligible for disability retirement benefits, participants often

had to meet a service requirement, generally 5 or 10 years, or meet the qualifications of their long-term disability insurance plans, which often imposed service requirements of 1 year or more.

Employees with deferred benefits may be given long-term disability insurance benefits that typically provide 50, 60, or 67 percent of earnings at the time of disability; the amount was generally greater than the amount of an immediate disability retirement pension. Furthermore, most deferred retirement benefits were greater than immediate disability pensions, primarily because the time between the onset of disability and the start of pension was typically added to an employee's length of service for computation of pension benefits. (See chapter 3 for details of long-term disability benefit plans.)

### Postponed retirement

Although all employees may continue to work after normal retirement age and accrue regular pension benefits, in 1990 only 1 percent of pension plan participants in State and local governments could receive benefit adjustments for service beyond the age of 65.<sup>34</sup> These increases were determined actuarially to reflect the older retiree's receipt of his or her pension over a shorter retirement period.

### Postretirement pension increases

Inflation can severely erode the purchasing power of a fixed pension throughout a worker's retirement years. To guard against this, some pensions are adjusted on a discretionary basis while others are subject to automatic increases specified in the pension plans. Nearly three-fifths of the participants were in plans that increased pensions for current retirees at least once during the 1985-89 period. Unlike the private sector where most of the postretirement increases in medium and large establishments in 1989 were discretionary, or ad hoc, adjustments, most increases in State and local governments in 1990 were automatic.

Since the survey collects data on the number of current employees covered by defined benefit pension plans and not the number of retirees, it 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.

Half of all pension participants were in plans that provided for automatic increases in pension benefits to compensate for increases in the cost of living (table 87). Four-fifths of these participants were in plans that based increases on rises in the BLS Consumer Price Index (CPI); most of the remainder participated in plans granting automatic increases of 1 to 3 percent each year, independent of CPI changes.

<sup>34</sup> Recently enacted changes in the Age Discrimination in Employment Act require employers to credit all service after normal retirement age, subject to any maximum credited service provision of the plan.

For participants in plans that based adjustments on the CPI, there was usually a ceiling that limited periodic increases to 3 percent or less. Nearly all the affected participants were in plans that called for these periodic adjustments to be made annually. Lifetime ceilings on increases were rare, affecting only 2 percent of participants.

BLS computed the size of these increases over the 1985-89 period for each plan with a cost-of-living adjustment provision. These increases were then averaged, using as weights the number of active workers participating, to provide surveywide estimates. On average, these adjustments resulted in an annuity increase of 12.6 percent during the 5-year period, about two-thirds of the 19-percent price rise registered by the BLS Consumer Price Index for all Urban Consumers (CPI-U).<sup>35</sup>

In 1990, 16 percent of the participants were in pension plans granting ad hoc increases (table 88). Unlike automatic adjustments, these increases were not directly linked to a cost-of-living index. Instead, retirees' current pensions were usually increased by a percent of the present benefit, commonly a uniform amount. During the 1985-89 period, most pension plans granted at least 2 ad hoc increases, often 3 to 8 percent of the current pension amount each.

### Participation and vesting

For nearly all full-time government workers in plans open to new employees, participation began immediately or shortly after being hired (table 94). Service requirements in excess of 6 months or minimum age requirements were rare, covering only 2 percent of plan participants. In contrast, just over one-third of the private sector pension plan participants in medium and large establishments in 1989 had immediate coverage when they were hired; another one-fourth could participate regardless of age but had to meet a service requirement, usually 1 year.

Government units have restructured their retirement systems from time to time. For example, some jurisdictions have changed their plans from noncontributory to contributory, while others have created new plans to cover employees hired on or after the effective date of change. In 1990, 5 percent of participants were under a pension plan which new employees could not join.

Even when an employee leaves an employer without qualifying for either a normal, early, or disability retirement benefit, a pension may ultimately be paid. If certain conditions are satisfied at the time of separation, workers have a guaranteed right (vested interest) to all or a portion of their accrued pension benefits and may begin receiving benefits years later.

Although nearly all State and local government employees are entitled to vested benefits, wide variations exist as to when this occurs. Nearly one-half of the participants

<sup>35</sup> The rate of increase was determined by dividing the annual average CPI-U for 1989 by the annual average CPI-U for 1984. For a discussion of postretirement increases that are granted in the private sector, see Donald G. Schmitt, "Postretirement Increases Under Private Pension Plans," *Monthly Labor Review*, September 1984, pp. 3-8.

were required to work 5 years or less before benefits were guaranteed, while another one-half needed over 5 years, usually 10 years, of plan participation (table 89). "Cliff" vesting, where no vesting occurs until an employee satisfies the service requirement for 100-percent vesting, was the vesting schedule for nearly all plan participants. Graduated vesting, where the percentage of an employee's benefit that is guaranteed increases over time, was rare; while immediate full vesting was nonexistent.

Unreduced vested benefits begin at a plan's normal retirement age, based on the benefit formula in effect when an employee left the plan. Also, nearly all plans with both early retirement and vesting provisions permitted the receipt of vested benefits at the early retirement age if the participant had satisfied the corresponding service requirement when leaving the plan. Plans used identical reduction factors to determine the pension for both terminated employees and early retirees for 82 percent of the participants with early receipt opportunities (table 90).

### **Postretirement survivor benefits**

All government pension plan participants had survivor annuity options available to them in 1990.<sup>36</sup> The typical survivor benefit found in government pension plans provides a joint-and-survivor annuity option that pays the surviving spouse a monthly amount. When this type of benefit is paid, the employee will generally receive a lower benefit during retirement to account for the likely increase in the length of time payments are made. When the retiree dies, the spouse receives a benefit payable for life.

Nearly all of the participants were in plans offering a joint-and-survivor annuity that provides a surviving spouse with payments equalling at least 50 percent of the retiree's adjusted pension (table 91). Joint-and-survivor annuities reflect an actuarial or arithmetic reduction of the employee's pension. The vast majority of participants had a choice of two or more alternative percentages (usually 50, 67, 75, and 100 percent), to be continued to the spouse, with corresponding reductions in the retiree's annuity.

Seven percent of all participants were in plans paying survivors a portion of the retiree's accrued benefit. In these plans, there is no reduction to the employee's pension to account for survivor benefits. Police and firefighters were primarily found in this type of plan, which continues 50 or 60 percent of the retiree's accrued benefit to the spouse after the retiree's death.

### **Preretirement survivor benefits**

Four-fifths of the participants were in plans providing survivor benefits to the spouse in case the employee died before retirement (table 92). Participants generally had to be vested before benefits are available. For three-fifths of participants, a surviving spouse would receive an annuity

<sup>36</sup> Survivor benefits are discussed in more detail in Donald Bell and Avy Graham, "Surviving Spouse's Benefits in Private Pension Plans," *Monthly Labor Review*, April 1984, pp. 23-31.

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. Nearly all survivor pensions of this nature were based on an early retirement benefit and, aside from the joint-and-survivor reduction, were provided at no cost to the employee. The most common preretirement survivor annuities were 50 and 100 percent.

Most of the remaining one-fifth of pension plan participants in plans with preretirement survivor benefits had an annuity calculated as a portion of the employee's earnings or accrued benefit (the benefit earned as of the date of the employee's death). This benefit was usually unreduced for early retirement; it was most prevalent among police and firefighters.

### **Employee costs**

Unlike the private sector, where the full cost of defined benefit pension plans was paid by the employer for 96 percent of plan participants in medium and large establishments in 1989, 75 percent of government pension plan participants had to pay part of the cost of their plans in 1990. Virtually all had to pay a specified percent of earnings, commonly 3 to 8 percent (table 93). However, 30 percent of contributory plan participants were allowed to have regular contributions deducted from their salaries on a pretax basis. (See the last section in this chapter for details of salary reduction plans.)

Flat contribution rates varied by occupational group, with teachers and police and firefighters frequently paying 6 to 8 percent and regular participants commonly contributing 3 to 7 percent. The average employee contribution as a flat percent of earnings was 6.6 percent for police and firefighters, 6.3 percent for teachers, and 5.3 percent for regular participants.

## **Defined Contribution Plans**

Nine percent of full-time State and local government employees participated in employer-financed defined contribution plans in 1990. All of these plans were designed solely to provide retirement income by limiting employee withdrawals of employer contributions to separation from service, death, disability, hardship, age 59 1/2, or retirement.

The most frequently observed 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 8 percent of employees. Typical plans were funded by employer contributions specified as a percent of the worker's pay, such as 3 percent. Savings and thrift plans, in which an employee voluntarily contributes funds and the employer matches some or all of the employee's contributions, covered only 1 percent of employees. Simplified employee pension plans were rarely found.

Salary reduction arrangements provide another source of retirement savings. Authorized under several sections of the Internal Revenue Code, these arrangements allow State and local government employees to contribute a portion of their salary to an employer-sponsored plan and defer income taxes on these contributions and accumulated earnings until withdrawal. Forty-five percent of full-time government employees participated in plans with salary reduction features in 1990, a significant increase over the 28-percent participation rate reported in the 1987 governments survey (table 95).

Most of these plans are different from the salary reduction plans found in the private sector. Twenty-seven percent of full-time government employees participated in either defined benefit or money purchase pension plans in which they were required to make contributions to the plan, but their contributions were not subject to income taxation until withdrawal; 12 percent made regular pretax contributions to pension plans in 1987. Contributions in these cases

are a requirement for receiving any retirement income; in fact, membership in the plan is often a condition of employment. However, most of the increase since 1987 in the number of pension plan participants making regular pretax contributions reflects recent changes in contribution requirements of many government pension plans.

Eighteen percent of employees were in salary reduction plans comparable to those found in the private sector. Seventeen percent were in "freestanding" plans; that is, employees were permitted to defer a portion of their salary to a retirement account, but employers made no contribution.<sup>37</sup> One percent participated in savings and thrift plans with matching employer contributions, and less than 0.5 percent could supplement their money purchase pension plan accounts with pretax money.

<sup>37</sup> Only plans sponsored or administered by State and local governments were included in the survey. Situations where governments disseminated information on tax-deferred investments to employees, but did not administer the plan, were excluded from these tabulations.

**Table 75. Retirement plans: Percent of full-time participants by selected plan types and combinations of plans, State and local governments, 1990**

Type of plan	All participants	Regular participants	Teachers	Police and fire-fighters
Defined benefit .....	100	100	100	100
With:				
No other plan .....	97	98	94	91
Savings and thrift .....	( <sup>1</sup> )	1	( <sup>1</sup> )	1
Money purchase pension .....	3	1	5	8
Money purchase pension .....	100	100	100	100
With:				
No other plan .....	66	79	50	38
Defined benefit .....	32	17	50	60
Savings and thrift .....	2	4	-	1

<sup>1</sup> 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 77. Defined benefit pension plans:<sup>1</sup> Percent of full-time participants in plans with terminal earnings formulas by definition of terminal earnings, State and local governments, 1990**

Definition of terminal earnings	All participants	Regular participants	Teachers	Police and fire-fighters
Total .....	100	100	100	100
Final year .....	( <sup>2</sup> )	( <sup>2</sup> )	-	3
Three years .....	69	70	68	65
Last 3 .....	( <sup>2</sup> )	( <sup>2</sup> )	-	3
High 3 .....	14	15	13	12
Of last 10 .....	1	1	1	1
Of career .....	13	13	11	11
Other .....	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	-
High consecutive 3 .....	55	55	55	50
Of last 5 .....	2	3	2	( <sup>2</sup> )
Of last 10 .....	3	3	2	2
Of career .....	49	49	51	47
Five years .....	19	19	19	14
Last 5 .....	2	1	3	1
High 5 .....	10	10	10	5
Of last 10 .....	( <sup>2</sup> )	( <sup>2</sup> )	-	-
Of last 15 .....	( <sup>2</sup> )	( <sup>2</sup> )	1	-
Of career .....	9	10	9	5
High consecutive 5 .....	7	8	6	7
Of last 10 .....	1	2	1	2
Of career .....	6	6	6	6
Other period <sup>3</sup> .....	12	11	13	19

<sup>1</sup> Excludes supplemental pension plans.

<sup>2</sup> Less than 0.5 percent.

<sup>3</sup> 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 76. Defined benefit pension plans:<sup>1</sup> Percent of full-time participants by method of determining retirement payments, State and local governments, 1990**

Basis of payment <sup>2</sup>	All participants	Regular participants	Teachers	Police and fire-fighters
Total .....	100	100	100	100
Terminal earnings formula .....	100	100	100	99
No alternative formula .....	69	68	70	81
Terminal earnings alternative .....	13	16	7	12
Dollar amount alternative <sup>3</sup> .....	17	16	23	6
Percent of contributions alternative .....	( <sup>4</sup> )	( <sup>4</sup> )	-	-
Career earnings formula .....	( <sup>4</sup> )	( <sup>4</sup> )	( <sup>4</sup> )	1
No alternative formula .....	( <sup>4</sup> )	( <sup>4</sup> )	( <sup>4</sup> )	1
Cash account .....	( <sup>4</sup> )	( <sup>4</sup> )	-	-
No alternative formula .....	( <sup>4</sup> )	( <sup>4</sup> )	-	-

<sup>1</sup> Excludes supplemental pension plans.

<sup>2</sup> Alternative formulas are generally designed to provide a minimum benefit for employees with short service or low earnings.

<sup>3</sup> Includes formulas based on dollar amounts for each year of service and flat monthly benefit varying by service.

<sup>4</sup> 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. Defined benefit pension plans:<sup>1</sup> Percent of full-time participants in plans with percent of terminal earnings benefit formulas by type and amount of formula, State and local governments, 1990**

Type and amount of formula <sup>2</sup>	Total	Provision for maximum benefit <sup>3</sup>		Provision for integration with Social Security benefit		Type and amount of formula <sup>2</sup>	Total	Provision for maximum benefit <sup>3</sup>		Provision for integration with Social Security benefit	
		Subject to maximum	Not subject to maximum	With integrated formula	Without integrated formula			Subject to maximum	Not subject to maximum	With integrated formula	Without integrated formula
<b>All participants</b>						<b>Teachers</b>					
Total .....	100	100	100	100	100	Total .....	100	100	100	100	100
Flat percent per year of service .....	72	45	83	10	80	Flat percent per year of service .....	75	37	88	13	85
Less than 1.00 .....	( <sup>4</sup> )	1	( <sup>4</sup> )	-	1	1.00-1.24 .....	4	-	5	-	5
1.00-1.24 .....	2	-	3	-	3	1.25-1.49 .....	1	1	( <sup>4</sup> )	-	1
1.25-1.49 .....	1	1	1	-	2	1.50-1.74 .....	17	5	21	-	27
1.50-1.74 .....	18	11	22	-	26	1.75-1.99 .....	2	1	3	-	4
1.75-1.99 .....	4	1	6	( <sup>4</sup> )	6	2.00-2.24 .....	44	28	49	13	43
2.00-2.24 .....	33	24	37	5	33	2.25-2.49 .....	3	-	3	-	4
2.25-2.49 .....	4	( <sup>4</sup> )	6	1	5	2.50-2.74 .....	5	2	6	-	2
2.50-2.74 .....	7	6	8	3	4	2.75 or greater .....	-	-	-	-	-
2.75 or greater .....	( <sup>4</sup> )	1	( <sup>4</sup> )	( <sup>4</sup> )	( <sup>4</sup> )	Percent per year varies .....	25	63	12	87	15
Percent per year varies .....	28	55	17	90	20	By service .....	20	47	10	14	15
By service .....	23	42	15	8	20	By earnings .....	6	16	2	73	-
By earnings .....	6	13	3	82	-	By earnings and service .....	-	-	-	-	-
By earnings and service .....	( <sup>4</sup> )	( <sup>4</sup> )	-	( <sup>4</sup> )	-	<b>Police and firefighters</b>					
Other <sup>5</sup> .....	( <sup>4</sup> )	-	( <sup>4</sup> )	-	( <sup>4</sup> )	Total .....	100	100	100	100	100
<b>Regular participants</b>						<b>Police and firefighters</b>					
Total .....	100	100	100	100	100	Total .....	100	100	100	100	100
Flat percent per year of service .....	71	47	80	9	79	Flat percent per year of service .....	68	52	82	10	77
Less than 1.00 .....	1	2	( <sup>4</sup> )	-	1	Less than 1.00 .....	1	1	-	-	1
1.00-1.24 .....	2	-	2	-	2	1.00-1.24 .....	-	-	-	-	-
1.25-1.49 .....	2	1	2	-	2	1.25-1.49 .....	1	-	1	-	1
1.50-1.74 .....	19	14	21	-	26	1.50-1.74 .....	16	2	28	-	25
1.75-1.99 .....	6	2	7	( <sup>4</sup> )	8	1.75-1.99 .....	3	( <sup>4</sup> )	6	-	5
2.00-2.24 .....	29	23	32	2	30	2.00-2.24 .....	19	16	21	-	24
2.25-2.49 .....	5	( <sup>4</sup> )	7	2	6	2.25-2.49 .....	1	( <sup>4</sup> )	1	4	1
2.50-2.74 .....	7	4	7	4	4	2.50-2.74 .....	25	26	25	1	20
2.75 or greater .....	( <sup>4</sup> )	1	( <sup>4</sup> )	( <sup>4</sup> )	-	2.75 or greater .....	3	7	-	5	( <sup>4</sup> )
Percent per year varies .....	29	53	19	91	21	Percent per year varies .....	32	48	18	90	22
By service .....	23	40	16	6	21	By service .....	29	45	16	3	22
By earnings .....	6	13	3	85	-	By earnings .....	3	3	2	88	-
By earnings and service .....	( <sup>4</sup> )	( <sup>4</sup> )	-	1	-	Other <sup>5</sup> .....	( <sup>4</sup> )	-	( <sup>4</sup> )	-	( <sup>4</sup> )
Other <sup>5</sup> .....	( <sup>4</sup> )	-	( <sup>4</sup> )	-	( <sup>4</sup> )						

<sup>1</sup> Excludes supplemental pension plans.

<sup>2</sup> If a plan contained more than one terminal earnings formula, a primary formula was selected and tabulated.

<sup>3</sup> These maximum provisions are independent of Internal Revenue Code ceilings on pensions payable from defined benefit plans.

<sup>4</sup> Less than 0.5 percent.

<sup>5</sup> Includes formulas based on a flat percentage of earnings, some varying 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 79. Defined benefit pension plans:<sup>1</sup> Percent of full-time participants by provision for integration of pension with Social Security benefit, State and local governments, 1990**

Provision	Type of benefit formula <sup>2</sup>		Provision	Type of benefit formula <sup>2</sup>	
	Total <sup>3</sup>	Terminal earnings		Total <sup>3</sup>	Terminal earnings
<b>All participants</b>			<b>Teachers</b>		
Total .....	100	100	Total .....	100	100
With integrated formula .....	8	8	With integrated formula .....	8	8
Offset by Social Security payment <sup>4</sup> .....	3	3	Offset by Social Security payment <sup>4</sup> .....	2	2
Based on service <sup>5</sup> .....	( <sup>6</sup> )	( <sup>6</sup> )	Based on service <sup>5</sup> .....	-	-
Not based on service <sup>7</sup> .....	2	2	Not based on service <sup>7</sup> .....	2	2
Dollar amount .....	( <sup>6</sup> )	( <sup>6</sup> )	Dollar amount .....	-	-
Percent of payment .....	2	2	Percent of payment .....	2	2
Step-rate excess <sup>8</sup> .....	6	6	Step-rate excess <sup>8</sup> .....	6	6
Integrated with a Social Security breakpoint .....	3	3	Integrated with a Social Security breakpoint .....	3	3
Integrated with a specific dollar breakpoint .....	3	3	Integrated with a specific dollar breakpoint .....	3	3
Without integrated formula .....	68	68	Without integrated formula .....	63	63
Not covered under Social Security .....	24	24	Not covered under Social Security .....	29	29
<b>Regular participants</b>			<b>Police and firefighters</b>		
Total .....	100	100	Total .....	100	100
With integrated formula .....	9	9	With integrated formula .....	3	3
Offset by Social Security payment <sup>4</sup> .....	3	3	Offset by Social Security payment <sup>4</sup> .....	( <sup>6</sup> )	( <sup>6</sup> )
Based on service <sup>5</sup> .....	1	1	Based on service <sup>5</sup> .....	( <sup>6</sup> )	( <sup>6</sup> )
Not based on service <sup>7</sup> .....	3	3	Not based on service <sup>7</sup> .....	( <sup>6</sup> )	( <sup>6</sup> )
Dollar amount .....	( <sup>6</sup> )	( <sup>6</sup> )	Percent of payment .....	( <sup>6</sup> )	( <sup>6</sup> )
Percent of payment .....	3	3	Step-rate excess <sup>8</sup> .....	3	3
Step-rate excess <sup>8</sup> .....	6	6	Integrated with a Social Security breakpoint .....	( <sup>6</sup> )	( <sup>6</sup> )
Integrated with a Social Security breakpoint .....	3	3	Integrated with a specific dollar breakpoint .....	2	2
Integrated with a specific dollar breakpoint .....	3	3	Without integrated formula .....	61	60
Without integrated formula .....	70	70	Not covered under Social Security .....	37	37
Not covered under Social Security .....	20	20			

<sup>1</sup> Excludes supplemental pension plans.

<sup>2</sup> If a plan contained more than one benefit formula, each integrated formula was tabulated. Participants were included as under nonintegrated formulas only if none of the formulas was integrated.

<sup>3</sup> Includes plans with benefit formulas based on career earnings, a percent of employee or employer contributions, and cash account plans.

<sup>4</sup> Benefit as calculated by formula is reduced by portion of primary Social Security payments.

<sup>5</sup> Offset is equal to the product of a percent of primary Social Security payments and the participant's years of service with the employer. A maximum offset is frequently applied, for example, 50 percent.

<sup>6</sup> Less than 0.5 percent.

<sup>7</sup> Benefit formula includes a reduction by a specified percent of primary Social Security payments or a specific dollar amount.

<sup>8</sup> Formula applies lower benefit rate to earnings subject to FICA (Social Security) taxes or below a specific dollar breakpoint.

NOTE: Sums of individual items may not equal totals either because of rounding or because more than one benefit formula within a plan was integrated. Where applicable, dash indicates no employees in this category.



**Table 80. Defined benefit pension plans:<sup>1</sup> Percent of full-time participants by maximum benefit provisions,<sup>2</sup> State and local governments, 1990**

Maximum benefit provision	Type of benefit formula <sup>3</sup>		Maximum benefit provision	Type of benefit formula <sup>3</sup>	
	Total <sup>4</sup>	Terminal earnings		Total <sup>4</sup>	Terminal earnings
<b>All participants</b>			<b>Teachers</b>		
Total .....	100	100	Total .....	100	100
Subject to maximum .....	35	36	Subject to maximum .....	28	28
Limit on years of credited service ...	24	24	Limit on years of credited service ...	18	18
Less than 20 .....	2	2	Less than 20 .....	1	1
20 .....	1	1	20 .....	1	1
21-24 .....	4	4	21-24 .....	( <sup>5</sup> )	( <sup>5</sup> )
25 .....	3	3	25 .....	1	1
26-29 .....	( <sup>5</sup> )	( <sup>5</sup> )	30 .....	4	4
30 .....	4	4	31-34 .....	5	5
31-34 .....	5	5	35 .....	( <sup>5</sup> )	( <sup>5</sup> )
35 .....	1	1	36-39 .....	2	2
36-39 .....	1	1	40 .....	3	4
40 .....	2	2	45 .....	1	1
41-44 .....	( <sup>5</sup> )	( <sup>5</sup> )	Other maximum <sup>6</sup> .....	14	14
45 .....	1	1	Not subject to maximum .....	72	72
Other maximum <sup>6</sup> .....	15	15			
Not subject to maximum .....	65	64	<b>Police and firefighters</b>		
			Total .....	100	100
<b>Regular participants</b>			Subject to maximum .....	50	50
Total .....	100	100	Limit on years of credited service ...	36	36
Subject to maximum .....	37	37	Less than 20 .....	( <sup>5</sup> )	( <sup>5</sup> )
Limit on years of credited service ...	26	26	20 .....	6	6
Less than 20 .....	3	3	21-24 .....	2	2
20 .....	( <sup>5</sup> )	( <sup>5</sup> )	25 .....	5	5
21-24 .....	5	5	26-29 .....	( <sup>5</sup> )	( <sup>5</sup> )
25 .....	4	4	30 .....	8	8
30 .....	4	4	31-34 .....	9	8
31-34 .....	5	5	35 .....	3	3
35 .....	1	1	36-39 .....	( <sup>5</sup> )	( <sup>5</sup> )
36-39 .....	1	1	40 .....	1	1
40 .....	2	2	Other maximum <sup>6</sup> .....	17	16
41-44 .....	( <sup>5</sup> )	( <sup>5</sup> )	Not subject to maximum .....	50	50
45 .....	( <sup>5</sup> )	( <sup>5</sup> )			
Other maximum <sup>6</sup> .....	16	16			
Not subject to maximum .....	63	63			

<sup>1</sup> Excludes supplemental pension plans.

<sup>2</sup> These maximum provisions are independent of Internal Revenue Code ceilings on pensions payable from defined benefit plans.

<sup>3</sup> If a plan contained more than one benefit formula, each formula containing a maximum benefit provision was tabulated. Participants were included as under formulas without maximum benefit provisions only if none of the formulas contained a maximum.

<sup>4</sup> Includes plans with benefit formulas based on career earnings, a percent of employee or employer contributions, and cash account plans.

<sup>5</sup> Less than 0.5 percent.

<sup>6</sup> The benefit yielded under the formula is limited to a percent of terminal earnings, sometimes coordinated with primary Social Security payments, or to a flat dollar amount.

NOTE: Sums of individual items may not equal totals because more than one benefit formula within a plan may have a maximum benefit provision. Also, 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 81. Defined benefit pension plans:<sup>1</sup> Average replacement rates for specified final earnings and years of service,<sup>2</sup> State and local governments, 1990**

Final annual earnings	Years of plan participation <sup>3</sup>						
	10	15	20	25	30	35	40
<b>Pension only—all participants</b>							
<b>All participants</b>							
\$15,000 .....	17.6	26.6	35.8	45.2	53.9	61.9	69.3
\$20,000 .....	17.6	26.6	35.8	45.1	53.9	61.9	69.3
\$25,000 .....	17.6	26.6	35.8	45.1	53.9	61.9	69.3
\$35,000 .....	17.6	26.7	35.9	45.2	53.9	62.0	69.3
\$45,000 .....	17.6	26.7	35.9	45.2	54.0	62.0	69.3
\$55,000 .....	17.6	26.8	36.0	45.3	54.0	62.1	69.4
<b>Regular participants</b>							
\$15,000 .....	17.5	26.5	35.7	45.2	53.9	62.0	69.4
\$20,000 .....	17.5	26.5	35.6	45.1	53.8	61.9	69.3
\$25,000 .....	17.5	26.5	35.6	45.1	53.8	61.8	69.2
\$35,000 .....	17.5	26.5	35.6	45.1	53.8	61.9	69.2
\$45,000 .....	17.5	26.6	35.7	45.1	53.9	61.9	69.2
\$55,000 .....	17.5	26.6	35.8	45.1	53.9	61.9	69.3
<b>Teachers</b>							
\$15,000 .....	17.4	26.3	35.2	44.1	52.9	61.1	68.7
\$20,000 .....	17.5	26.4	35.3	44.1	53.0	61.2	68.9
\$25,000 .....	17.5	26.4	35.3	44.2	53.0	61.3	69.0
\$35,000 .....	17.5	26.5	35.4	44.3	53.2	61.5	69.2
\$45,000 .....	17.5	26.5	35.5	44.4	53.3	61.6	69.2
\$55,000 .....	17.6	26.6	35.5	44.5	53.4	61.7	69.3
<b>Police and firefighters</b>							
\$15,000 .....	19.2	29.6	41.0	49.9	58.2	65.0	70.8
\$20,000 .....	19.2	29.5	41.0	49.9	58.3	65.1	70.9
\$25,000 .....	19.2	29.5	41.0	50.0	58.3	65.1	70.9
\$35,000 .....	19.2	29.6	41.0	50.0	58.3	65.2	70.9
\$45,000 .....	19.2	29.6	41.0	50.0	58.4	65.2	70.9
\$55,000 .....	19.2	29.6	41.0	50.0	58.4	65.2	70.9
<b>Combined pension and primary<sup>4</sup> Social Security benefit—all participants<sup>5</sup></b>							
<b>All participants</b>							
\$15,000 .....	38.1	50.4	63.4	76.6	89.0	97.8	105.2
\$20,000 .....	34.9	47.3	60.3	73.5	85.9	94.7	102.1
\$25,000 .....	33.1	45.5	58.4	71.5	83.6	92.6	100.1
\$35,000 .....	30.9	43.2	55.4	67.6	77.8	86.2	93.6
\$45,000 .....	29.6	41.3	52.9	63.7	73.4	81.7	89.0
\$55,000 .....	27.7	39.0	50.1	60.5	70.0	78.3	85.6
<b>Regular participants</b>							
\$15,000 .....	38.8	51.1	64.4	78.0	90.6	99.4	106.9
\$20,000 .....	35.5	47.9	61.1	74.7	87.3	96.2	103.6
\$25,000 .....	33.6	46.0	59.1	72.6	84.8	93.9	101.4
\$35,000 .....	31.3	43.7	56.0	68.5	78.8	87.2	94.5
\$45,000 .....	30.0	41.7	53.3	64.4	74.1	82.4	89.8
\$55,000 .....	28.0	39.3	50.5	61.1	70.6	78.9	86.2
<b>Teachers</b>							
\$15,000 .....	36.2	48.5	60.8	73.2	85.5	94.4	102.0
\$20,000 .....	33.4	45.7	58.0	70.5	82.7	91.7	99.4
\$25,000 .....	31.7	44.0	56.3	68.6	80.6	89.8	97.6
\$35,000 .....	29.7	41.9	53.6	65.1	75.4	84.0	91.7
\$45,000 .....	28.6	40.2	51.2	61.6	71.3	79.9	87.5
\$55,000 .....	26.9	38.0	48.7	58.7	68.2	76.7	84.4

See footnotes at end of table.

**Table 81. Defined benefit pension plans:<sup>1</sup> Average replacement rates for specified final earnings and years of service,<sup>2</sup> State and local governments, 1990—Continued**

Final annual earnings	Years of plan participation <sup>3</sup>						
	10	15	20	25	30	35	40
	Combined pension and primary <sup>4</sup> Social Security benefit—all participants <sup>5</sup>						
<b>Police and firefighters</b>							
\$15,000 .....	38.8	50.8	64.7	76.3	87.7	95.1	100.9
\$20,000 .....	35.8	48.0	62.0	73.7	85.2	92.6	98.4
\$25,000 .....	34.0	46.4	60.4	72.1	83.2	90.9	96.8
\$35,000 .....	32.0	44.4	57.8	68.8	78.4	85.5	91.3
\$45,000 .....	30.8	42.7	55.6	65.5	74.6	81.7	87.4
\$55,000 .....	28.9	40.5	53.2	62.8	71.8	78.8	85.6

<sup>1</sup> Excludes supplemental pension plans.

<sup>2</sup> Retirement annuity as a percent of earnings in the final year of work. The maximum pension available to an employee, not reduced for early retirement or joint-and-survivor annuity, was calculated under each pension plan using the earnings and service assumptions shown. This benefit level was then expressed as a percent of earnings in the last year of employment.

These calculations assume employees retired on January 1, 1990, and final earnings are for 1989. 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.

<sup>3</sup> 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.

<sup>4</sup> Excludes benefits for spouses and other dependents.

<sup>5</sup> Includes participants in government units not participating in Social Security; table reflects only employer-sponsored pension benefits for these employees.

**Table 82. Defined benefit pension plans:<sup>1</sup> Average replacement rates for specified final earnings and years of service,<sup>2</sup> by participation status in Social Security, State and local governments, 1990**

Final annual earnings	Years of plan participation <sup>3</sup>						
	10	15	20	25	30	35	40
<b>Pension only—participants with Social Security<sup>4</sup></b>							
<b>All participants</b>							
\$15,000 .....	16.9	25.3	34.3	43.5	52.0	59.8	67.3
\$20,000 .....	16.9	25.4	34.3	43.5	51.9	59.8	67.3
\$25,000 .....	16.9	25.4	34.3	43.4	52.0	59.9	67.3
\$35,000 .....	16.9	25.5	34.4	43.5	52.1	60.0	67.4
\$45,000 .....	17.0	25.6	34.5	43.6	52.2	60.1	67.5
\$55,000 .....	17.0	25.7	34.6	43.7	52.3	60.1	67.5
<b>Regular participants</b>							
\$15,000 .....	16.8	25.2	34.1	43.6	52.1	60.1	67.6
\$20,000 .....	16.8	25.2	34.1	43.5	52.0	60.0	67.5
\$25,000 .....	16.8	25.2	34.1	43.5	52.0	60.0	67.5
\$35,000 .....	16.8	25.3	34.1	43.5	52.1	60.0	67.5
\$45,000 .....	16.8	25.4	34.2	43.6	52.2	60.1	67.5
\$55,000 .....	16.9	25.5	34.3	43.6	52.2	60.2	67.6
<b>Teachers</b>							
\$15,000 .....	16.9	25.5	34.1	42.7	51.1	59.0	66.5
\$20,000 .....	17.0	25.6	34.2	42.8	51.2	59.2	66.7
\$25,000 .....	17.0	25.6	34.2	42.8	51.4	59.3	66.9
\$35,000 .....	17.1	25.7	34.4	43.0	51.6	59.6	67.1
\$45,000 .....	17.1	25.8	34.5	43.2	51.8	59.8	67.3
\$55,000 .....	17.2	25.9	34.6	43.3	51.9	59.9	67.9
<b>Police and firefighters</b>							
\$15,000 .....	18.2	27.3	37.9	46.1	54.2	60.8	67.1
\$20,000 .....	18.3	27.3	38.0	46.2	54.2	60.9	67.2
\$25,000 .....	18.3	27.4	38.0	46.2	54.3	61.0	67.3
\$35,000 .....	18.3	27.4	38.0	46.3	54.4	61.1	67.4
\$45,000 .....	18.3	27.4	38.1	46.3	54.4	61.1	67.4
\$55,000 .....	18.3	27.4	38.1	46.4	54.5	61.1	67.4
<b>Pension plus primary Social Security<sup>4</sup>—participants with Social Security</b>							
<b>All participants</b>							
\$15,000 .....	43.3	56.8	70.6	84.7	98.0	106.9	114.3
\$20,000 .....	39.3	52.8	66.5	80.6	94.0	102.9	110.3
\$25,000 .....	36.9	50.3	64.1	78.0	90.9	100.1	107.7
\$35,000 .....	34.2	47.4	60.2	72.9	83.4	91.7	99.2
\$45,000 .....	32.6	44.9	56.8	67.9	77.6	85.8	93.2
\$55,000 .....	30.1	41.8	53.2	63.7	73.2	81.4	88.8
<b>Regular participants</b>							
\$15,000 .....	43.2	56.6	70.4	84.8	98.2	107.1	114.6
\$20,000 .....	39.2	52.6	66.3	80.7	94.1	103.0	110.6
\$25,000 .....	36.8	50.2	63.8	78.0	91.0	100.2	107.9
\$35,000 .....	34.0	47.2	59.9	72.9	83.4	91.8	99.3
\$45,000 .....	32.4	44.7	56.5	67.8	77.6	85.9	93.3
\$55,000 .....	30.0	41.6	52.9	63.6	73.2	81.4	88.9
<b>Teachers</b>							
\$15,000 .....	43.4	56.9	70.4	83.9	97.2	106.1	113.5
\$20,000 .....	39.4	52.9	66.4	79.9	93.3	102.2	109.8
\$25,000 .....	37.0	50.5	64.0	77.4	90.3	99.6	107.3
\$35,000 .....	34.3	47.6	60.2	72.4	82.9	91.4	98.9
\$45,000 .....	32.7	45.1	56.8	67.4	77.2	85.5	93.0
\$55,000 .....	30.2	42.0	53.2	63.3	72.8	81.1	88.6

See footnotes at end of table.

**Table 82. Defined benefit pension plans: Average replacement rates for specified final earnings and years of service,<sup>2</sup> by participation status in Social Security, State and local governments, 1990—Continued**

Final annual earnings	Years of plan participation <sup>3</sup>						
	10	15	20	25	30	35	40
<b>Pension plus primary Social Security<sup>4</sup>—participants with Social Security</b>							
<b>Police and firefighters</b>							
\$15,000 .....	44.7	58.7	74.2	87.3	100.3	107.9	114.2
\$20,000 .....	40.7	54.7	70.2	83.4	96.3	104.0	110.3
\$25,000 .....	38.3	52.3	67.7	80.7	93.2	101.2	107.7
\$35,000 .....	35.5	49.3	63.8	75.6	85.7	92.8	99.2
\$45,000 .....	33.9	46.8	60.4	70.6	79.8	86.9	93.2
\$55,000 .....	31.4	43.6	56.7	66.4	75.4	82.4	88.7
<b>Pension only—participants not covered under Social Security</b>							
<b>All participants</b>							
\$15,000 .....	20.0	30.5	40.8	50.7	60.1	68.6	75.7
\$20,000 .....	19.9	30.4	40.7	50.6	60.0	68.5	75.6
\$25,000 .....	19.8	30.3	40.6	50.5	59.9	68.4	75.6
\$35,000 .....	19.8	30.3	40.6	50.4	59.8	68.4	75.5
\$45,000 .....	19.7	30.2	40.5	50.4	59.8	68.3	75.4
\$55,000 .....	19.7	30.2	40.5	50.4	59.8	68.3	75.4
<b>Regular participants</b>							
\$15,000 .....	20.7	31.4	41.7	51.6	61.1	69.5	76.5
\$20,000 .....	20.5	31.2	41.5	51.4	60.8	69.3	76.3
\$25,000 .....	20.4	31.1	41.4	51.3	60.7	69.1	76.2
\$35,000 .....	20.3	31.0	41.3	51.2	60.6	69.0	76.0
\$45,000 .....	20.2	30.9	41.2	51.1	60.5	68.9	76.0
\$55,000 .....	20.2	30.9	41.2	51.0	60.5	68.9	75.9
<b>Teachers</b>							
\$15,000 .....	18.6	28.3	37.8	47.5	57.1	66.1	74.1
\$20,000 .....	18.6	28.3	37.9	47.5	57.1	66.1	74.1
\$25,000 .....	18.6	28.3	37.9	47.5	57.1	66.1	74.1
\$35,000 .....	18.6	28.3	37.9	47.5	57.1	66.1	74.1
\$45,000 .....	18.6	28.3	37.8	47.5	57.1	66.1	74.0
\$55,000 .....	18.6	28.3	37.8	47.5	57.1	66.1	74.1
<b>Police and firefighters</b>							
\$15,000 .....	22.0	34.2	46.8	56.7	65.4	72.5	77.3
\$20,000 .....	21.9	34.1	46.6	56.6	65.4	72.5	77.3
\$25,000 .....	21.9	34.1	46.6	56.6	65.4	72.5	77.3
\$35,000 .....	21.9	34.1	46.6	56.6	65.4	72.4	77.3
\$45,000 .....	21.9	34.1	46.6	56.6	65.4	72.4	77.2
\$55,000 .....	21.9	34.1	46.6	56.6	65.3	72.4	77.2

<sup>1</sup> Excludes supplemental pension plans.

<sup>2</sup> Retirement annuity as a percent of earnings in the final year of work. The maximum pension available to an employee, not reduced for early retirement or joint-and-survivor annuity, was calculated under each pension plan using the earnings and service assumptions shown. This benefit level was then expressed as a percent of earnings in the last year of employment.

These calculations assume employees retired on January 1, 1990, and final earnings are for 1989. 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.

<sup>3</sup> 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.

<sup>4</sup> Excludes benefits for spouses and other dependents.

**Table 83. Defined benefit pension plans:<sup>1</sup> Percent of full-time participants by minimum age and associated service requirements for normal retirement,<sup>2</sup> State and local governments, 1990**

Age and service requirement <sup>3</sup>	All participants	Regular participants	Teachers	Police and fire-fighters	Age and service requirement <sup>3</sup>	All participants	Regular participants	Teachers	Police and fire-fighters
Total .....	100	100	100	100	Age 60 .....	9	8	13	4
No age requirement .....	36	35	36	39	No service requirement .....	1	1	( <sup>4</sup> )	( <sup>4</sup> )
20 years' service .....	2	1	2	15	1-4 years' service .....	( <sup>4</sup> )	( <sup>4</sup> )	-	-
21-24 years' service .....	1	1	-	( <sup>4</sup> )	5 years' service .....	4	2	9	1
25 years' service .....	3	3	1	7	6-9 years' service .....	( <sup>4</sup> )	( <sup>4</sup> )	-	( <sup>4</sup> )
26-29 years' service .....	1	2	( <sup>4</sup> )	1	10 years' service .....	2	2	1	1
30 years' service .....	22	22	25	13	20 years' service .....	( <sup>4</sup> )	( <sup>4</sup> )	-	( <sup>4</sup> )
35 years' service .....	7	6	8	3	25 years' service .....	1	1	2	-
Less than age 50 .....	( <sup>4</sup> )	( <sup>4</sup> )	-	-	30 years' service .....	1	1	-	1
20 years' service .....	( <sup>4</sup> )	( <sup>4</sup> )	-	-	More than 30 years' service ...	1	1	1	( <sup>4</sup> )
Age 50 .....	1	( <sup>4</sup> )	-	6	Age 62 .....	8	11	1	6
5 years' service .....	( <sup>4</sup> )	( <sup>4</sup> )	-	1	5 years' service .....	( <sup>4</sup> )	( <sup>4</sup> )	-	-
20 years' service .....	( <sup>4</sup> )	( <sup>4</sup> )	-	2	10 years' service .....	3	4	( <sup>4</sup> )	4
25 years' service .....	( <sup>4</sup> )	( <sup>4</sup> )	-	2	15 or 20 years' service .....	1	1	( <sup>4</sup> )	( <sup>4</sup> )
30 years' service .....	( <sup>4</sup> )	( <sup>4</sup> )	-	-	25 years' service .....	4	6	( <sup>4</sup> )	2
Age 51-54 .....	2	2	1	10	30 years' service .....	( <sup>4</sup> )	( <sup>4</sup> )	-	-
21-24 years' service .....	( <sup>4</sup> )	-	-	2	Age 63-64 .....	4	5	2	( <sup>4</sup> )
25 years' service .....	2	2	1	8	No service requirement .....	1	( <sup>4</sup> )	1	-
30 years' service .....	( <sup>4</sup> )	( <sup>4</sup> )	-	-	5 years' service .....	4	5	1	( <sup>4</sup> )
Age 55 .....	23	19	31	21	Age 65 .....	11	11	11	8
No service requirement .....	1	( <sup>4</sup> )	2	( <sup>4</sup> )	No service requirement .....	1	2	1	1
5 years' service .....	1	1	1	8	5 years' service .....	5	5	4	5
10 years' service .....	( <sup>4</sup> )	( <sup>4</sup> )	-	5	10 years' service .....	5	5	6	2
15 years' service .....	( <sup>4</sup> )	-	-	( <sup>4</sup> )	Sum of age plus service <sup>5</sup> .....	7	8	5	6
20 years' service .....	2	2	( <sup>4</sup> )	( <sup>4</sup> )	Equals fewer than 80 .....	1	( <sup>4</sup> )	1	1
25 years' service .....	3	3	5	4	Equals 80 .....	2	2	2	2
30 years' service .....	13	12	20	3	Equals 85 .....	( <sup>4</sup> )	1	( <sup>4</sup> )	( <sup>4</sup> )
More than 30 years' service ...	2	1	5	-	Equals 86-89 .....	( <sup>4</sup> )	( <sup>4</sup> )	-	( <sup>4</sup> )
Age 56-59 .....	( <sup>4</sup> )	( <sup>4</sup> )	-	1	Equals 90 .....	2	2	1	2
5 years' service .....	( <sup>4</sup> )	( <sup>4</sup> )	-	1	Equals 91-94 .....	2	2	1	( <sup>4</sup> )
25 years' service .....	( <sup>4</sup> )	-	-	( <sup>4</sup> )					

<sup>1</sup> Excludes supplemental pension plans.

<sup>2</sup> 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.

<sup>3</sup> 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.

<sup>4</sup> Less than 0.5 percent.

<sup>5</sup> 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 84. Defined benefit pension plans:<sup>1</sup> Percent of full-time participants by minimum age and associated service requirements for early retirement,<sup>2</sup> State and local governments, 1990**

Age and service requirement <sup>3</sup>	All participants	Regular participants	Teachers	Police and firefighters
Total .....	100	100	100	100
Participants in plans permitting early retirement .....	88	87	94	65
No age requirement .....	24	23	28	11
Fewer than 10 years' service .....	( <sup>4</sup> )	( <sup>4</sup> )	-	-
10 years' service .....	5	5	5	3
20 years' service .....	( <sup>4</sup> )	1	-	1
21-24 years' service .....	( <sup>4</sup> )	( <sup>4</sup> )	-	-
25 years' service .....	10	9	11	4
26-29 years' service .....	( <sup>4</sup> )	( <sup>4</sup> )	1	-
30 years' service .....	8	7	11	3
More than 30 years' service .....	( <sup>4</sup> )	( <sup>4</sup> )	1	-
Age less than 50 .....	6	7	4	14
5 years' service .....	( <sup>4</sup> )	-	-	( <sup>4</sup> )
10 years' service .....	( <sup>4</sup> )	-	-	( <sup>4</sup> )
20 years' service .....	4	4	3	7
25 years' service .....	2	3	1	6
Age 50 .....	15	14	19	20
No service requirement .....	( <sup>4</sup> )	( <sup>4</sup> )	-	-
5 years' service .....	6	6	5	10
6-9 years' service .....	( <sup>4</sup> )	( <sup>4</sup> )	( <sup>4</sup> )	-
10 years' service .....	1	2	( <sup>4</sup> )	2
15 years' service .....	2	1	3	2
20 years' service .....	3	2	3	6
25 years' service .....	( <sup>4</sup> )	( <sup>4</sup> )	-	( <sup>4</sup> )
30 years' service .....	3	2	8	( <sup>4</sup> )
Age 55 .....	37	39	38	14
No service requirement .....	3	4	2	2
1-4 years' service .....	( <sup>4</sup> )	( <sup>4</sup> )	-	-
5 years' service .....	10	12	7	9
10 years' service .....	9	10	9	1
15 years' service .....	3	3	5	-
20 years' service .....	5	4	8	2
25 years' service .....	6	6	7	( <sup>4</sup> )
30 years' service .....	( <sup>4</sup> )	( <sup>4</sup> )	( <sup>4</sup> )	-
Age 60 .....	4	4	4	4
No service requirement .....	2	2	2	2
1-5 years' service .....	1	1	1	( <sup>4</sup> )
10 years' service .....	2	2	2	1
Age 62 .....	( <sup>4</sup> )	( <sup>4</sup> )	-	1
10 years' service .....	( <sup>4</sup> )	( <sup>4</sup> )	-	1
Sum of age plus service <sup>5</sup> .....	1	( <sup>4</sup> )	1	( <sup>4</sup> )
Equals 75 .....	( <sup>4</sup> )	( <sup>4</sup> )	1	( <sup>4</sup> )
Equals 80 .....	( <sup>4</sup> )	( <sup>4</sup> )	-	-
Equals 85 .....	( <sup>4</sup> )	( <sup>4</sup> )	-	( <sup>4</sup> )
Participants in plans without early retirement .....	12	13	6	35

<sup>1</sup> Excludes supplemental pension plans.

<sup>2</sup> 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.

<sup>3</sup> 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.

<sup>4</sup> Less than 0.5 percent.

<sup>5</sup> 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 85. Defined benefit pension plans:<sup>1</sup> Percent of full-time participants in plans permitting early retirement by reduction factor for immediate start of payments, State and local governments, 1990**

Reduction for each year prior to normal retirement age	All participants	Regular participants	Teachers	Police and firefighters
Total .....	100	100	100	100
Uniform percentage <sup>2</sup> .....	43	44	40	57
Less than 3.0 .....	5	5	4	16
3.0 .....	11	11	10	8
3.1-3.9 .....	( <sup>3</sup> )	( <sup>3</sup> )	( <sup>3</sup> )	-
4.0 .....	1	1	1	3
4.1-4.9 .....	6	6	4	9
5.0 .....	9	10	7	10
5.1-5.9 .....	( <sup>3</sup> )	-	-	( <sup>3</sup> )
6.0 .....	8	7	11	7
6.1-6.6 .....	( <sup>3</sup> )	( <sup>3</sup> )	-	-
6.7 .....	1	2	1	1
More than 6.7 .....	1	1	1	2
Percentage varies by age .....	47	49	45	39
Reduction differs for each year of early retirement <sup>4</sup> .....	23	24	20	23
Reduction differs by age bracket <sup>5</sup> .....	24	24	25	16
Percentage varies by service .....	9	8	15	3
Other basis <sup>6</sup> .....	( <sup>3</sup> )	( <sup>3</sup> )	-	1

<sup>1</sup> Excludes supplemental pension plans.

<sup>2</sup> In specific cases, uniform percentage reductions may approximate actuarial reductions, such as early retirement at age 55 with a reduction of 6 percent a year between age 55 and the plan's normal retirement age of 62.

<sup>3</sup> Less than 0.5 percent.

<sup>4</sup> Reduction schedule is related to actuarial assumptions of the life expectancy at age that pension payments begin.

<sup>5</sup> 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 which reduce benefits arithmetically for each year immediately below normal retirement age and actuarially below a specified age, usually 55.

<sup>6</sup> Reduced benefit was not derived from normal retirement formula.

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

**Table 86. Defined benefit plans: Percent of full-time participants by selected plan features, State and local governments, 1990**

Item	All participants	Regular participants	Teachers	Police and firefighters
Benefit integrated with Social Security .....	8	9	8	3
Early retirement permitted	88	87	94	65
Disability benefits provided .....	96	97	97	91
Cost-of-living increases provided .....	50	50	50	53
Ad hoc pension increase between 1985-89 .....	16	17	15	14

<sup>1</sup> Excludes supplemental pension plans.

**Table 87. Defined benefit pension plans:<sup>1</sup> Percent of full-time participants by provision for automatic post-retirement adjustments, State and local governments, 1990**

Characteristic of adjustment	All participants	Regular participants	Teachers	Police and firefighters
Total with automatic postretirement adjustment in normal retirement benefit .....	50	50	50	53
<b>Adjustment</b>				
Total .....	100	100	100	100
100 percent of CPI change <sup>2</sup> .....	53	52	53	56
Less than 100 percent of CPI change <sup>3</sup> .....	29	30	25	30
Adjustment independent of CPI change .....	19	18	22	14
<b>Maximum periodic increase</b>				
Total .....	100	100	100	100
No maximum .....	25	28	17	30
With maximum .....	75	72	83	70
Less than 2 percent .....	5	5	6	5
2 percent .....	17	16	22	21
2.1-2.9 percent .....	3	2	3	2
3 percent .....	30	30	29	26
3.1-3.9 percent .....	1	1	3	-
4 percent .....	12	13	10	11
5 percent .....	4	3	8	3
6 percent .....	1	1	1	2
Over 6 percent .....	1	1	( <sup>3</sup> )	1
Maximum not determinable .....	( <sup>3</sup> )	( <sup>3</sup> )	( <sup>3</sup> )	-
<b>Maximum lifetime increase</b>				
Total .....	100	100	100	100
No maximum .....	98	99	96	98
With lifetime maximum .....	2	1	3	2
Data not available .....	( <sup>3</sup> )	( <sup>3</sup> )	( <sup>3</sup> )	-
<b>Frequency of adjustment</b>				
Total .....	100	100	100	100
Every 12 months .....	96	96	95	99
Other period .....	4	4	5	1

<sup>1</sup> Excludes supplemental pension plans.

<sup>2</sup> A maximum periodic increase is usually specified.

<sup>3</sup> Includes adjustment provisions which do not go into effect until after a specific percent rise in the CPI.

<sup>4</sup> Less than 0.5 percent.

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



**Table 88. Defined benefit pension plans: Percent of full-time participants in plans granting ad hoc postretirement annuity increases,<sup>1</sup> State and local governments, 1990**

Characteristic	All participants	Regular participants	Teachers	Police and firefighters
Total with at least one postretirement increase in the 1985-89 period .....	16	17	15	14
<b>Number of increases granted in past 5 years</b>				
Total .....	100	100	100	100
One .....	21	23	16	26
Two .....	34	28	57	10
Three .....	6	7	-	9
Four .....	6	5	12	-
Five or more .....	33	37	16	55
<b>Provisions for most recent ad hoc adjustment</b>				
Total .....	100	100	100	100
Flat percent increase .....	83	82	84	90
Increase per year of retirement .....	4	5	2	-
Increase per year of service .....	13	13	14	10
No minimum increase ...	99	98	99	100
No maximum increase ..	65	71	42	96

<sup>1</sup> Excludes supplemental pension plans.  
<sup>2</sup> Unscheduled increases in pension payments for employees retiring prior to 1990. Excludes one-time lump-sum payments.

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

**Table 89. Defined benefit pension plans: Percent of full-time participants by type of vesting State and local governments, 1990**

Type of vesting schedule	All participants	Regular participants	Teachers	Police and firefighters
Total <sup>2</sup> .....	100	100	100	100
Cliff vesting <sup>3</sup> .....	99	98	99	98
Full vesting:				
At any age .....	98	98	99	96
Less than 5 years' service .....	2	3	1	3
5 years' service .....	47	44	52	45
6-9 years' service .....	3	4	( <sup>4</sup> )	2
10 years' service .....	45	47	43	39
More than 10 years' service .....	1	1	2	8
After specified age <sup>5</sup> .....	( <sup>4</sup> )	( <sup>4</sup> )	-	1
6-9 years' service .....	( <sup>4</sup> )	( <sup>4</sup> )	-	1
Graduated vesting <sup>6</sup> .....	1	1	1	1
Full vesting after:				
10 years' service .....	1	1	( <sup>4</sup> )	( <sup>4</sup> )
11-14 years' service .....	( <sup>4</sup> )	( <sup>4</sup> )	( <sup>4</sup> )	-
15 years' service .....	( <sup>4</sup> )	( <sup>4</sup> )	-	( <sup>4</sup> )
Other <sup>7</sup> .....	( <sup>4</sup> )	( <sup>4</sup> )	-	( <sup>4</sup> )
No vesting provision .....	1	1	( <sup>4</sup> )	2

<sup>1</sup> Excludes supplemental pension plans.  
<sup>2</sup> Because plans may adopt alternative vesting schedules, sums of participants covered by individual vesting schedules may exceed 100 percent.  
<sup>3</sup> 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.  
<sup>4</sup> Less than 0.5 percent.  
<sup>5</sup> Sponsors may exclude years of service completed before age 18 from counting towards satisfaction of minimum vesting standards.  
<sup>6</sup> 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.  
<sup>7</sup> Participants in this group were in plans which call for 50-percent vesting after 5 years of service if age plus service equals 45. Thereafter, the vested percentage increases 10 percentage points each of the next 5 years.

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

**Table 90. Defined benefit pension plans:<sup>1</sup> Percent of full-time participants with provision for early receipt of deferred vested benefits<sup>2</sup> by comparison of reduction factors with early retirement, State and local governments, 1990**

Reduction for each year prior to normal retirement age	All participants			Regular participants			Teachers			Police and firefighters		
	Total	Reduction factor for early retirement is--		Total	Reduction factor for early retirement is--		Total	Reduction factor for early retirement is--		Total	Reduction factor for early retirement is--	
		Same	Different		Same	Different		Same	Different		Same	Different
Total .....	100	82	18	100	84	16	100	78	22	100	91	9
Uniform percentage <sup>3</sup> .....	38	34	4	39	35	4	32	28	4	52	50	1
Less than 3.0 .....	4	4	-	5	5	-	1	1	-	16	16	-
3.0 .....	9	9	-	9	9	-	10	10	-	5	5	-
3.1-3.9 .....	(*)	(*)	-	(*)	(*)	-	(*)	(*)	-	-	-	-
4.0 .....	1	1	-	1	1	-	1	1	-	3	3	-
4.1-4.9 .....	6	6	(*)	6	6	(*)	4	4	-	9	9	-
5.0 .....	9	6	4	10	7	3	7	3	4	10	8	1
6.0 .....	6	5	(*)	6	5	1	6	6	(*)	6	6	-
6.1-6.6 .....	(*)	(*)	-	(*)	(*)	-	-	-	-	-	-	-
6.7 .....	1	1	-	1	1	-	1	1	-	1	1	-
More than 6.7 .....	1	1	-	1	1	-	1	1	-	1	1	-
Percentage varies by age ...	55	42	14	56	44	12	55	37	18	45	38	7
Reduction differs for each year of early retirement <sup>5</sup> .....	35	21	14	35	22	12	36	18	18	29	22	7
Reduction differs by age bracket <sup>6</sup> .....	21	21	-	22	22	-	19	19	-	16	16	-
Percentage varies by service .....	7	7	-	4	4	-	13	13	-	3	3	-
Reduction factor not determinable .....	(*)	-	-	(*)	-	-	-	-	-	1	-	-

<sup>1</sup> Excludes supplemental pension plans.

<sup>2</sup> Receipt of benefits prior to normal retirement age for plan participants who terminated employment with vested rights to future benefits.

<sup>3</sup> In specific cases, uniform percentage reductions may approximate actuarial reductions, such as early receipt of benefits at age 55 with a 6 percent a year reduction between age 55 and the plan's normal retirement age of 62.

<sup>4</sup> Less than 0.5 percent.

<sup>5</sup> Reduction schedule is related to actuarial assumptions of the life expectancy at age that pension payments begin.

<sup>6</sup> 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 6.7 percent for each year between age 60 and the plan's normal retirement age, and by 3.3 percent for each year retirement preceded age 60. Also includes some plans that reduce benefits arithmetically for each year immediately below normal retirement age and actuarially below 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 91. Defined benefit pension plans:<sup>1</sup> Percent of full-time participants by type of postretirement survivor annuity, State and local governments, 1990**

Type of annuity for surviving spouse	All participants	Regular participants	Teachers	Police and fire-fighters
Total .....	100	100	100	100
Spouse's share of joint-and-survivor annuity <sup>2</sup> only .....	92	93	94	77
50 percent of retiree's pension .....	4	3	6	1
51-99 percent of retiree's pension .....	4	4	3	7
100 percent of retiree's pension .....	( <sup>3</sup> )	( <sup>3</sup> )	-	1
Alternative percentages at retiree's option <sup>4</sup> .....	84	86	85	68
Portion of retiree's accrued pension only .....	7	7	6	18
Other <sup>5</sup> .....	( <sup>6</sup> )	( <sup>6</sup> )	-	5

<sup>1</sup> Excludes supplemental pension plans.  
<sup>2</sup> 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 length of 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 payments for a specified period.  
<sup>3</sup> Less than 0.5 percent.  
<sup>4</sup> Alternate percentages were usually 50, 67, 75, or 100 percent.  
<sup>5</sup> Includes annuities based on a percentage of employees final earnings.

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

**Table 92. Defined benefit pension plans:<sup>1</sup> Percent of full-time participants by type of preretirement survivor annuity, State and local governments, 1990**

Type of annuity for surviving spouse	All participants	Regular participants	Teachers	Police and fire-fighters
Total .....	100	100	100	100
Preretirement survivor annuity provided .....	79	77	85	73
Equivalent of joint-and-survivor annuity <sup>2</sup> .....	59	56	68	47
Based on early retirement <sup>3</sup> .....	56	54	62	45
50 percent of employee pension .....	18	18	20	10
51-99 percent of employee pension .....	2	1	3	1
100 percent of employee pension .....	18	19	17	16
Alternative percentages of pension at employee's option <sup>4</sup> .....	18	16	22	18
At extra employee cost <sup>5</sup> .....	( <sup>6</sup> )	( <sup>6</sup> )	-	-
Based on normal retirement <sup>7</sup> .....	3	2	7	2
Portion of accrued employee benefit .....	10	11	4	21
Reduced for early retirement .....	1	1	( <sup>6</sup> )	3
Unreduced for early retirement .....	9	10	4	19
Based on service projected to normal retirement date .....	( <sup>6</sup> )	( <sup>6</sup> )	( <sup>6</sup> )	-
Other annuity <sup>8</sup> .....	9	8	13	4
No preretirement survivor annuity provided .....	21	23	15	27

<sup>1</sup> Excludes supplemental pension plans.  
<sup>2</sup> 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 length of 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.  
<sup>3</sup> Survivor annuity is based upon the benefit the employee would have received if early retirement had occurred on the date of death.  
<sup>4</sup> Alternative percentages were usually 50, 67, or 100 percent.  
<sup>5</sup> Plan reduces the accrued employee pension benefit for each year survivor protection is in force.  
<sup>6</sup> Less than 0.5 percent.  
<sup>7</sup> Survivor annuity is based on the benefit the employee would have received if eligible for normal retirement on the date of death.  
<sup>8</sup> Includes annuity based on a dollar amount formula or percent of earnings.

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

**Table 93. Defined benefit pension plans:<sup>1</sup> Percent of full-time participants in contributory plans by type and amount of employee contribution, State and local governments, 1990**

Type and amount of contribution	All participants	Regular participants	Teachers	Police and fire-fighters
Total .....	100	100	100	100
Flat percent of earnings .....	91	91	88	98
Less than 1.00 percent .....	1	2	1	1
1.00-1.49 percent .....	1	1	-	( <sup>1</sup> )
2.00-2.49 percent .....	1	1	( <sup>1</sup> )	( <sup>1</sup> )
2.50-2.99 percent .....	( <sup>1</sup> )	1	-	-
3.00 percent .....	12	14	7	10
3.01-3.99 percent .....	1	1	1	( <sup>1</sup> )
4.00 percent .....	6	6	5	3
4.01-4.99 percent .....	6	8	1	5
5.00 percent .....	9	11	6	7
5.01-5.99 percent .....	3	2	4	1
6.00 percent .....	14	13	15	17
6.01-6.99 percent .....	14	13	18	6
7.00 percent .....	7	7	5	9
7.01-7.99 percent .....	2	2	1	7
8.00 percent .....	11	6	19	18
8.01-8.99 percent .....	( <sup>1</sup> )	( <sup>1</sup> )	-	1
9.00 percent .....	( <sup>1</sup> )	( <sup>1</sup> )	-	1
9.01-9.99 percent .....	3	3	2	8
10.00 percent .....	1	( <sup>1</sup> )	3	( <sup>1</sup> )
10.01-10.99 percent .....	( <sup>1</sup> )	( <sup>1</sup> )	-	-
12.00 percent or greater .....	( <sup>1</sup> )	( <sup>1</sup> )	-	3
Percent varies by earnings .....	9	9	12	1
Above specified dollar amount .....	4	4	4	1
Above Social Security wage base .....	5	5	8	1
Dollar amount varies by earnings .....	( <sup>1</sup> )	( <sup>1</sup> )	-	( <sup>1</sup> )
Contribution not determinable .....	( <sup>1</sup> )	( <sup>1</sup> )	-	1

<sup>1</sup> Excludes supplemental plans.  
<sup>2</sup> 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 94. Defined benefit pension plans:<sup>1</sup> Percent of full-time participants by age and length-of-service requirements for participation,<sup>2</sup> State and local governments, 1990**

Age and service requirement provision <sup>3</sup>	All participants	Regular participants	Teachers	Police and fire-fighters
Total .....	100	100	100	100
Plan participation available to new employees .....	95	94	95	94
With minimum age and/or service requirement .....	5	6	3	5
Service requirement only .....	4	5	2	5
3 months or less .....	( <sup>1</sup> )	( <sup>1</sup> )	-	-
6 months .....	3	4	1	4
1 year .....	1	1	1	-
3 years .....	( <sup>1</sup> )	( <sup>1</sup> )	-	1
Age 20 or less .....	( <sup>1</sup> )	( <sup>1</sup> )	-	( <sup>1</sup> )
1-11 months of service .....	( <sup>1</sup> )	( <sup>1</sup> )	-	-
1 year of service .....	( <sup>1</sup> )	( <sup>1</sup> )	-	( <sup>1</sup> )
Age 21 .....	( <sup>1</sup> )	( <sup>1</sup> )	1	-
No service requirement .....	( <sup>1</sup> )	( <sup>1</sup> )	1	-
1 year of service .....	( <sup>1</sup> )	( <sup>1</sup> )	-	-
Age 22 or older .....	( <sup>1</sup> )	1	-	-
1 year of service .....	( <sup>1</sup> )	( <sup>1</sup> )	-	-
Over 1 year of service .....	( <sup>1</sup> )	( <sup>1</sup> )	-	-
Without minimum age and/or service requirement .....	90	89	92	89
Participation not available to new employees .....	5	6	5	6

<sup>1</sup> Excludes supplemental pension plans.

<sup>2</sup> Excludes administrative time lags.

<sup>3</sup> If a plan had alternative participation requirements, one of which was service only, the service only requirement was tabulated.

<sup>4</sup> 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 95. Cash or deferred arrangements:<sup>1</sup> Percent of full-time employees participating in plans permitting employee contributions with pretax dollars, State and local governments, 1990**

Item	All employees	Regular employees	Teachers	Police and fire-fighters
Percent of all employees in plans with cash or deferred arrangement	45	45	45	52
Salary reduction plans <sup>2</sup> .....	18	18	18	21
Savings and thrift plans .....	1	1	1	1
Supplemental contributions to money purchase pension plans	( <sup>3</sup> )	( <sup>3</sup> )	1	( <sup>3</sup> )
Freestanding accounts <sup>4</sup> .....	17	16	17	20
Regular contributions to pension plans on a pretax basis .....	27	27	26	31
Defined benefit plans <sup>5</sup> .....	20	21	18	21
Money purchase plans .....	7	6	8	11

<sup>1</sup> Tabulations show percent of employees participating in plans that allow income, and associated tax, to be deferred. Not all participants may elect to have their income deferred. Includes employee contributions to retirement plans under several sections of the Internal Revenue Code (IRC). Excludes pretax contributions for insurance, dependent care, and other expenses under IRC section 125.

<sup>2</sup> Employee may elect to make pretax contributions to a long-term savings or retirement account.

<sup>3</sup> Less than 0.5 percent.

<sup>4</sup> Employer contributions are not made to the plan.

<sup>5</sup> Required employee contributions to a defined benefit pension plan are made on a pretax basis, but an account separate from the pension plan is not established for these savings.

NOTE: Sums of individual items may not equal totals either because of rounding or because some employees participate in more than one type of plan. Where applicable, dash indicates no employees in this category.

## Chapter 7. Plan Administration

In addition to data on individual benefit plans, the survey explored how insurance and retirement benefits were administered and financed, and whether benefits were offered independently or as part of a flexible benefits program.

### Plan sponsor

Although full-time employees of State governments constituted about one-quarter of the surveyed workforce, State-administered plans covered more than one-quarter of the workers (table 96). In many instances, local government employees participated in statewide insurance or retirement plans. Plan sponsorship varied significantly from benefit to benefit. Three-fifths of medical care and life insurance participants were in plans sponsored by a local government; police and firefighters were the most likely group to be in a local government plan. Sick and long-term disability insurance plans were slightly more likely to be State-sponsored.

State sponsorship of benefit plans was most noticeable in retirement benefits. Eighty-one percent of participants in defined benefit pension plans were covered by State-sponsored plans; such plans were most prevalent for teachers and least prevalent for police and firefighters. It was not uncommon for local governments to provide their own insurance benefits while contributing to a State retirement plan.

### Plan financing

Generally, there were many more participants in wholly employer-financed plans than in partly employer-financed plans (table 97). Employee contributions were most often required for defined benefit pension and for family medical care coverage. Three-fourths of defined benefit pension plan participants were required to contribute toward the cost of their plan. Two-thirds of the medical care plan participants were required to contribute toward the cost of family coverage.

In comparison to the employees of private sector establishments, State and local government employees are much more likely to be required to contribute toward the cost of their pension. One in 20 private sector defined benefit pension plan participants—regardless of the establishment size—were required to contribute to their plan, while three-fourths of State and local government workers had to make contributions.

### 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, capital accumulation plans, and retirement benefits. Employees may have a choice between one or more plans in a benefit area. For example, the employee may be offered a choice between a traditional fee-for-service medical plan and a health maintenance organization, but plans in each benefit area are offered separately. In recent years, new approaches to offering benefits have emerged. BLS currently collects data on two such arrangements for offering benefits—flexible benefits plans and reimbursement accounts.

*Flexible benefits plans*, often called cafeteria plans, were offered to 5 percent of full-time government employees in 1990 (table 98). The plans were more common for teachers than they were for regular employees and were rarely offered to police and firefighters. In a flexible benefits plan, employers provide each worker with an amount of “benefits credits.” These credits may be a fixed dollar amount provided to each worker, or the amount may vary among workers according to earnings, length of service, family status, or other factors. 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 coverage chosen, employees may be able to fund the difference with pre-tax contributions, as was the case for a majority of employees with such arrangements in 1990.

The most common flexible benefits choices were among separate dental benefits, various levels of life insurance, participation in fee-for-service medical care plans (with varying deductibles and out-of-pocket maximums) or in health maintenance organizations, and varying levels of long-term disability insurance. Additionally, some employees could choose separate vision plans, accidental death and dismemberment insurance, and short-term disability coverage. About one-third of plans allowed unused credits to be deposited into reimbursement accounts, or taken as cash in lieu of benefits. Just under one-third of flexible benefits plans required employees to purchase minimum levels of coverage, commonly a basic level of life insurance.

*Reimbursement accounts* were offered to 31 percent of full-time employees covered by the 1990 State and local

government survey. These accounts, also called flexible spending accounts, provide funds from which employees pay for expenses not covered by their regular benefits package. Commonly, medical care reimbursement accounts are used to pay for plan premiums, deductibles, the employee's coinsurance, and for services not covered under a medical care plan. Dependent care accounts are used to reimburse the employee for expenses associated with the care of dependent children and adults.

Reimbursement accounts were overwhelmingly funded solely by employee pretax money, although some accounts were funded either wholly or partially by employers. Reimbursement accounts may be part of a flexible benefits plan or they may stand alone.

Just over half of employees eligible for reimbursement accounts could allocate funds for health expenses not cov-

ered by their medical care plan (table 99). Three-fourths of eligible employees could allocate funds for the payment of their share of health care premiums. Just under one-fourth of eligible employees had accounts specifically limited to pre-tax payment of health care premiums only. More than 6 out of 10 eligible employees could use money from these accounts to pay for dependent care expenses, generally both child care and care for elderly and disabled relatives.

Individual benefit plans offered through a flexible benefits plan were analyzed and included in the tabulations for specific benefit areas in this bulletin.<sup>38</sup>

<sup>38</sup> For information on flexible benefits plans in medium and large 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 96. Plan administration: Percent of full-time participants in selected employee benefit programs by type of plan sponsor, State and local governments, 1990**

Plan sponsor	Health care	Life insurance	Sickness and accident insurance	Long-term disability insurance	Defined benefit pension
<b>All participants</b>					
Total .....	100	100	100	100	100
State sponsored .....	39	40	54	56	81
Local government sponsored .....	61	60	46	44	19
<b>Regular participants</b>					
Total .....	100	100	100	100	100
State sponsored .....	42	44	49	60	79
Local government sponsored .....	58	56	51	40	21
<b>Teachers</b>					
Total .....	100	100	100	100	100
State sponsored .....	33	35	68	54	89
Local government sponsored .....	67	65	32	46	11
<b>Police and firefighters</b>					
Total .....	100	100	100	100	100
State sponsored .....	21	19	56	24	61
Local government sponsored .....	79	81	44	76	39

**Table 97. Plan financing: Percent of full-time participants in selected employee benefit programs by source of financing, State and local governments, 1990**

	Sickness and accident insurance	Long-term disability insurance	Medical care for employee	Medical care for family	Dental care for employee	Dental care for family	Life insurance	Defined benefit pension
<b>All participants</b>								
Total .....	100	100	100	100	100	100	100	100
Wholly employer financed .....	83	67	62	35	82	61	88	25
Partly employer financed .....	17	33	38	65	18	39	12	75
<b>Regular participants</b>								
Total .....	100	100	100	100	100	100	100	100
Wholly employer financed .....	80	65	61	34	82	59	87	26
Partly employer financed .....	20	35	39	66	18	41	13	74
<b>Teachers</b>								
Total .....	100	100	100	100	100	100	100	100
Wholly employer financed .....	95	71	66	37	82	64	89	25
Partly employer financed .....	5	29	34	63	18	36	11	75
<b>Police and firefighters</b>								
Total .....	100	100	100	100	100	100	100	100
Wholly employer financed .....	81	61	64	40	82	60	89	23
Partly employer financed .....	19	39	36	60	18	40	11	77



**Table 98. Flexible benefits plans and reimbursement accounts:<sup>1</sup> Percent of full-time employees eligible, State and local governments, 1990**

Coverage	All participants	Regular participants	Teachers	Police and fire-fighters
Total .....	100	100	100	100
Provided flexible benefits and/or reimbursement accounts .....	32	32	33	26
Flexible benefits plan with reimbursement accounts .....	3	3	3	-
Flexible benefits plan with no reimbursement accounts .....	2	1	3	( <sup>2</sup> )
Freestanding reimbursement accounts .....	28	28	27	26
Not provided flexible benefits or reimbursement accounts .....	68	68	67	74

<sup>1</sup> Flexible benefits plans, also known as flexible compensation and cafeteria plans, allow employees to choose between two or more benefits or benefit options -- cash may be one of the options -- in determining their individual benefit 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.

<sup>2</sup> 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 99. Reimbursement accounts: Percent of full-time participants by expenses covered, State and local governments, 1990**

Expenses covered	All participants	Regular participants	Teachers	Police and fire-fighters
Health care premiums .....	77	78	72	91
Health care premiums only .....	24	22	29	25
Health care expenses .....	52	56	42	51
Other insurance premiums .....	27	29	21	29
Dependent care .....	63	66	57	61
Legal expenses .....	1	( <sup>1</sup> )	1	-
Other expenses .....	1	1	1	-

<sup>1</sup> Less than 0.5 percent.

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

## Chapter 8. Benefits for Part-time Employees

For the first time, information on part-time workers is included in the Bureau's State and local government survey on the incidence and details of employee benefits. Regular employees accounted for most of the 1.5 million part-time workers surveyed, while teachers and police and firefighters accounted for only 14 percent of the total. In general, part-time employees were less likely to have benefits available to them than were their full-time counterparts (table 100).

### Work schedules

The number of hours per day and hours per week that part-time employees were scheduled to work varied widely. Most common work schedules were between 3 and 5 hours per day, typically 5 days per week. Total hours worked per week were frequently between 15 and 20 hours.

### Time off

Paid time off was the most prevalent type of benefit program available to the part-time workforce. Half of all part-time employees were eligible for paid sick leave and paid jury duty leave, and one-third were eligible for paid holidays, paid rest time, paid funeral leave, and paid military leave. Paid vacation benefits were provided to one-fourth 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 17.8 days, compared to 22 days for their full-time counterparts. However, the aver-

age number of paid holidays part-time workers received was 16.3 days, while the full-time workforce had 13.6 days available.<sup>39</sup>

Other types of leave were less common. Only one-fifth of part-time employees were eligible for paid personal leave and almost none were eligible for a paid lunch period. Unpaid maternity leave was available to about 3 of 10 part-time workers while unpaid paternity leave was available to 2 of 10 part-time workers.

### Insurance, retirement, and other benefits

Medical care and life insurance were the most prevalent insurance benefits among part-time employees—each available to slightly over a third of the workers. In contrast, dental care was available to one-fourth of part-time workers, sickness and accident insurance to one-seventh, and long-term disability insurance to less than one-tenth.

Almost one-half 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. Often, part-time employees had to satisfy a minimum work requirement, such as 6 hours per day or 20 days per month, to be eligible for pension benefits. The service credit for such workers was typically prorated based on the relationship of part-time to full-time work schedules. For example, an employee scheduled to work 30 hours per week, where full-time employees work 40 hours per week, would receive credit for three-fourths of 1 year toward retirement benefits.

The incidence of other benefits, such as severance pay, financial and legal services, family-related benefits (including child care and eldercare), and health promotion programs, was rare (table 101).

<sup>39</sup> The higher average holidays for part-time workers reflects the influence of holidays provided to part-time public school employees, other than teachers.

**Table 100. Summary: Percent of part-time employees participating<sup>1</sup> in selected employee benefit programs, State and local governments,<sup>2</sup> 1990**

Employee benefit program	All employees <sup>3</sup>	Regular employ- ees <sup>3</sup>	Employee benefit program	All employees <sup>3</sup>	Regular employ- ees <sup>3</sup>
<b>Paid:</b>					
Holidays .....	34	38	Dental care .....	25	26
Vacations .....	26	30	Employee coverage:		
Personal leave .....	20	19	Wholly employer financed .....	21	23
Lunch period .....	3	3	Partly employer financed .....	3	3
Rest time .....	34	37	Family coverage:		
Funeral leave .....	38	40	Wholly employer financed .....	19	20
Jury duty leave .....	53	54	Partly employer financed .....	6	6
Military leave .....	39	40	Life insurance .....	36	38
Sick leave .....	49	49	Wholly employer financed .....	33	36
Maternity leave .....	1	1	Partly employer financed .....	3	2
Paternity leave .....	1	1	All retirement <sup>4</sup> .....	48	50
<b>Unpaid:</b>			Defined benefit pension .....	45	47
Maternity leave .....	28	29	Wholly employer financed .....	10	10
Paternity leave .....	18	19	Partly employer financed .....	35	37
Sickness and accident insurance .....	14	16	Defined contribution .....	3	2
Wholly employer financed .....	13	14	Uses of funds:		
Partly employer financed .....	1	1	Retirement <sup>5</sup> .....	3	2
Long-term disability insurance .....	8	7	Wholly employer financed <sup>6</sup> .....	1	1
Wholly employer financed .....	5	5	Partly employer financed .....	2	1
Partly employer financed .....	3	3	Types of plans:		
Medical care .....	38	41	Savings and thrift .....	1	1
Employee coverage:			Money purchase pension .....	2	2
Wholly employer financed .....	31	33	Flexible benefits plans .....	2	2
Partly employer financed .....	8	8	Reimbursement accounts .....	12	11
Family coverage:					
Wholly employer financed .....	18	19			
Partly employer financed .....	20	21			

<sup>1</sup> Participants are workers covered by a paid time off, insurance, retirement, or capital accumulation 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.

<sup>2</sup> See appendix A for scope of study.

<sup>3</sup> See appendix A for definitions of the occupational groups.

<sup>4</sup> Includes defined benefit pension plans and defined contribution retirement plans. The total is less than the sum of the individual items because

some employees participated in both types of plans.

<sup>5</sup> Plans were counted as retirement plans if employer contributions had to remain in the participant's account until retirement age, death, disability, separation from service, age 59 1/2, or hardship.

<sup>6</sup> Employees participating in two or more plans were counted as participants in wholly employer-financed plans only if all plans were noncontributory.

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

**Table 101. Other benefits: Percent of part-time employees eligible for specified benefits, State and local governments, 1990**

Employee benefit	All employees	Regular employees
Income continuation plans:		
Severance pay .....	15	15
Supplemental unemployment benefits .....	-	-
Transportation benefits:		
Free or subsidized employee parking .....	84	84
Subsidized commuting .....	3	3
Job-related travel accident insurance .....	8	7
Gifts and cash bonuses:		
Gifts .....	1	1
Nonproduction bonuses .....	16	15
Financial and legal services:		
Financial counseling .....	5	6
Prepaid legal services .....	5	5
Family benefits:		
Employer assistance for child care .....	5	5
Employer financial assistance for adoption .....	-	-
Eldercare .....	3	3
Long-term care insurance .....	( <sup>1</sup> )	( <sup>1</sup> )
Health promotion programs:		
In-house infirmary .....	14	12
Wellness programs .....	21	18
Employee assistance programs .....	40	41
Miscellaneous benefits:		
Employee discounts .....	3	2
Employer-subsidized recreation facilities .....	14	11
Subsidized meals .....	9	9
Sabbatical leave .....	7	5
Relocation allowance .....	2	2
Education assistance:		
Job related .....	31	29
Not job related .....	5	4

<sup>1</sup> Less than 0.5 percent.

NOTE: Data were insufficient to show teachers and police and fire-fighters separately. Where applicable, dash indicates no employees in this category.

# Appendix A: Technical Note

## Scope of survey

This survey of the incidence and characteristics of employee benefit plans is collected jointly with the Bureau's Employment Cost Index (ECI). The portion of the sample from which these estimates are made covers all State and local governments establishments in the 50 States and the District of Columbia.

The establishment size and geographic coverage for this survey differ from the 1987 government survey. In that year, the survey consisted of State and local governments with 50 or more employees, and excluded establishments in Alaska and Hawaii.

Tables A-1 and A-2 show the estimated number of establishments and 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 quotes<sup>1</sup> within those establishments that were actually studied. Data in these tables are provided separately for States and local governments. In addition, local governments are further divided into health, education, and administrative units.

## Occupational groups

Data were collected individually for narrowly defined occupations that were sampled within establishments. Each of these narrowly defined occupations is classified into one of the following three broad groups:

*Regular employees.* Includes professional, technical, executive, administrative, and managerial occupations; clerical, administrative support, and sales occupations; precision production, craft, and repair occupations; machine operators and inspectors; transportation and moving occupations; handlers, equipment cleaners, helpers, and laborers; and service occupations.

*Teachers.* Includes all personnel in primary and secondary schools, junior colleges, colleges, and universities whose primary duty is teaching or closely related activities, such as research or counseling. This category includes professors, lecturers, teachers, instructors, athletic coaches, department heads, librarians, and research scientists (if considered faculty). Employees whose primary function is administrative, such as deans, principals, and assistant principals, were classified as regular employees,

<sup>1</sup> All of the employees in the detailed occupation selected may not be surveyed. Data for a manageable number (group) of employees in the detailed occupation that included the employee position selected are collected. This group is called a quote.

as were full-time teaching assistants, teachers' aides, and workers in daycare centers performing child-care functions.

*Police and firefighters.* Includes personnel whose main duty is law enforcement, such as State and local uniformed police, detectives, and sheriffs, and personnel engaged in the administration of law enforcement, such as desk sergeants, lieutenants, and captains; and firefighters. Corrections officers (guards and jailers), officers of the court (bailiffs), sheriffs performing corrections officer or officer of the court duties, campus police, and fire inspectors were considered to be regular employees.

Excluded from the survey are volunteers, unpaid workers, persons permanently disabled, and U.S. citizens working overseas.

## Benefit areas

Sampled establishments were requested to provide data for a sample of their occupations on work schedules and details of plans in each of the following benefit areas: Paid lunch periods, paid rest periods, paid holidays, paid vacations, paid personal leave, paid funeral leave, paid military leave, paid jury-duty leave, paid and unpaid parental leave, paid sick leave, sickness and accident insurance, long-term disability insurance, medical, dental, and vision care, life insurance, retirement and capital accumulation plans, flexible benefit plans, and reimbursement accounts.

Data were also collected on the incidence of the following additional benefits: Severance pay, supplemental unemployment benefits, parking, subsidized commuting, travel accident insurance, nonproduction cash bonuses, financial counseling, prepaid legal services, gifts, child care, adoption assistance, eldercare, in-house infirmaries, long-term care insurance, wellness programs, recreation facilities, subsidized meals, employee discounts, relocation allowances, job-related and non-job-related educational assistance, employee assistance programs, and sabbatical leave.

## Sampling frame

The list of establishments from which the sample was selected (called the sampling frame) was the State Unemployment Insurance (UI) reports for the 50 States and the District of Columbia. The reference date of the UI reports that were sampled varies by industry from 1986 to 1987. This is due to the nature of the sample selection and replacement, which is described below.

## Sample design

The sample design for this survey and the Employment Cost Index is a 2-stage probability sample of detailed occu-

**Table A1. Number of establishments and full-time occupational quotes studied and estimated number of full-time workers within scope of survey, State and local governments, 1990**

Industry division <sup>1</sup>	Number of establishments studied	Number of occupational quotes studied <sup>2</sup>			
		Total	Regular employees	Teachers	Police and firefighters
All establishments .....	1,333	6,681	4,473	1,410	798
State government establishments .....	339	1,855	1,516	231	108
Local government establishments .....	994	4,826	2,957	1,179	690
Health services .....	69	366	365	1	-
Educational services .....	412	2,225	1,057	1,168	-
Public administration .....	513	2,235	1,535	10	690
Estimated number of full-time workers within scope of survey					
All establishments .....		12,972,425	8,787,925	3,414,249	770,251
State government establishments .....		3,559,520	2,980,417	476,544	102,559
Local government establishments .....		9,412,906	5,807,508	2,937,705	667,692
Health services .....		655,703	654,580	1,123	-
Educational services .....		5,088,456	2,178,547	2,909,910	-
Public administration .....		3,668,746	2,974,382	26,673	667,692

<sup>1</sup> As defined in the 1972 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.

<sup>2</sup> 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 A2. Number of establishments and part-time occupational quotes studied and estimated number of part-time workers within scope of survey, State and local governments, 1990**

Industry division <sup>1</sup>	Number of establishments studied	Number of occupational quotes studied <sup>2</sup>			
		Total	Regular employees	Teachers	Police and firefighters
All establishments .....	1,333	663	563	75	25
State government establishments .....	339	82	53	29	-
Local government establishments .....	994	581	510	46	25
Health services .....	69	64	64	-	-
Educational services .....	412	330	287	43	-
Public administration .....	513	187	159	3	25
Estimated number of part-time workers within scope of survey					
All establishments .....		1,531,630	1,322,279	166,366	42,985
State government establishments .....		159,988	101,701	58,287	-
Local government establishments .....		1,371,642	1,220,579	108,079	42,985
Health services .....		93,128	93,128	-	-
Educational services .....		770,990	688,491	82,499	-
Public administration .....		507,524	438,960	25,579	42,985

<sup>1</sup> As defined in the 1972 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.

<sup>2</sup> 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.

pations. The first stage of sample selection is a probability sample of establishments, while the second stage of sample selection is a probability sample of occupations (quotes) within the sampled establishments.

### Establishment sample

The sample of 1,464 establishments was the subset of the ECI sample in State and local governments. The ECI

sample is updated periodically over a 4-year cycle for most industries. Each year, new sample establishments are introduced into the survey in selected industries to replace the sample units that were previously selected in those same industries. Public sector health and education units are sampled according to this cycle. Public sector administrative units are sampled less frequently. Data for the present survey include public administration units sampled in 1989; the previous ECI public administration sample was selected in 1980.

The sample of establishments is selected by first stratifying the sampling frame by industry group, and implicitly, by region (State) and establishment employment. The industry groups consist of 2- and 3-digit Standard Industrial Classification groups, as defined by the Office of Management and Budget, which are covered by the survey.

The number of sample establishments allocated to each stratum (defined by industry) was approximately proportional to the total employment of all sampling frame establishments in the stratum. Thus, a stratum that contained 1 percent of the total employment within the scope of the survey received 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 was selected within an industry group with a probability 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.

A portion of the establishment sample frame for local governments was sampled twice to insure an adequate number of quotes to publish estimates for the police and firefighters occupational category. Data for occupations other than police and firefighters were collected from the smaller sample while data for police and firefighters only were collected from the larger sample.

### Occupational sample

At the beginning of each field visit by a Bureau field economist to collect data from 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 proportionate to its employment within the establishment. There were 7,344 second stage sample units (sampled occupations) that reported data from the 1,333 first stage sample units (sampled establishments) that cooperated in the survey. These 7,344 usable occupations (quotes) consisted of 6,681 full-time occupations and 663 part-time occupations.

The narrowly defined occupations are based on the Standard Occupational Classification (SOC) system defined by the Department of Commerce. These narrowly defined occupations are then classified into the three groups shown in this bulletin.

### Data collection

Data for the survey were collected by visits of Bureau field economists to the sampled establishments. To reduce the reporting burden, respondents were asked to provide documents describing their flexible benefits plans, reimbursement accounts, retirement and capital accumulation plans, medical, dental, and vision care plans, and insurance plans. These were analyzed by BLS staff in Washington to obtain the required data on plan provisions. Data on paid leave generally were obtained directly from the employer at the time of the visit.

Data were collected during the period of November 1989 to January 1991, reflecting an average reference period of June 1990. Respondents were asked for information as of the time of the data collection visit.

### Data calculation

The tables presented in this bulletin show the percent of employees who were: Covered by paid leave plans or unpaid parental leave plans; participated in medical, dental, and vision care plans; participated in insurance, retirement, or capital accumulation plans; were eligible for flexible benefits plans, reimbursement accounts, or other selected benefits. Except in tables 2, 98, 99, and 101, counts of workers covered by benefit plans included those who had not met possible minimum length-of-service requirements at the time of the survey.

Most of the tables in this bulletin show the percent of workers covered by individual benefit plans or plan provisions. Percents are calculated in three ways. One technique, followed in tables 1, 3-5, 7, 9, 13-17, 19-21, 95, and 100, shows the number of covered workers as a percent of all workers within the scope of the survey; tables 2, 98, and 101 show the number of eligible workers as a percent of all workers.

A second approach is followed in tables 8, 10, 11, 18, 25, 27, 28, 30-34, 36, 66, 74, 76, 79, 80, 83, 84, 86, 89, 91, 92, 94, 96, 97, and 99. These tables show the number of workers covered by specific features in a benefit area as a percent of all employees who participate in that general benefit area. They answer questions concerning the typical coverage provided to persons with a given medical, dental, and vision care, insurance, retirement, or capital accumulation plan; for example, what percent of all employees with medical care receive mental health care coverage?

The third approach provides a close look at an important plan feature (tables 26, 29, 35, 37-54, 56-65, 67-73, 75, 77, 78, 85, 90, and 93), for example, what percent of all employees with accidental death and dismemberment benefits have coverage equal to their life insurance benefits? Tables 24, 87, and 88 use a combined approach, indicating in the first row of data the percent of persons who have a particular coverage, while the remainder of the table is based on all employees with that coverage.

This multilevel approach has the advantage of clearly pointing out typical benefit plan characteristics after the incidence of the benefit has been established. Any of the second or third types of tables, if desired, can be converted to the first type by multiplying each data cell by appropriate factors. For example, to calculate the percent of all employees in plans specifying a maximum payment for

orthodontia, multiply the percent of those with orthodontia coverage subject to a lifetime maximum (69 percent from table 62) by the percent of dental care participants with orthodontia coverage (72 percent from table 59), and multiply that product by the percent of all employees who have dental care coverage (62 percent from table 1). In this example, 31 percent of employees are in plans that impose a maximum on orthodontia payments (.69 X .72 X .62).

Tables 6, 12, 22, 23, 55, 81, and 82 differ from other tables because they display average benefit values rather than a percent of workers. These tables present the averages for all covered employees; calculations exclude workers without the benefit.

### Survey response

The following summary is a composite picture of the establishment responses to the survey:

*Number of establishments:*

In sample .....	1,464
Out of business and out of scope .....	44
Refusing to respond .....	87
Responding fully or partially .....	1,333

There are three procedures used to adjust for missing data from partial schedules and total refusals. First, imputations for the number of plan participants are made for cases where this number was not reported (approximately 10 percent of medical, dental, and vision care participants, 3 percent of long-term disability insurance participants, 2 percent of retirement and capital accumulation plan participants, 1 percent of life insurance participants, and less than 1 percent of participants in all other types of plans.) Each of these participant values is imputed by randomly selecting a similar plan from another establishment in a similar industry and establishment size. The participant rate from this randomly 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 are made where they are not available in a partially responding establishment. These plan provisions are imputed by randomly selecting a similar plan from another establishment in a similar industry and establishment size. The plan provisions from this randomly selected plan are then used to represent the plan that is missing plan provision data. (This was done for about 32 percent of participants in sickness and accident insurance plans, 22 percent of medical, dental, and vision care participants, 19 percent of long-term disability insurance participants, 10 percent of retirement and capital accumulation plan participants, 9 percent of life insurance plan participants, and 9 percent of flexible benefits plan participants. Imputations were done for less than 1 percent of the participants in leave plans.)

For other forms of missing data (totally unusable establishments and refusals), a weight adjustment is made using the sample unit employment. This technique assumes that the mean value of the nonrespondents is equal to 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.

One other form of missing data occurs when an establishment cooperates in the survey but is either unwilling or unable to provide information concerning one or more of the selected occupations. No adjustment was made for these missing data for this survey; however, methods to impute for these data will be explored for future surveys. If all sampled occupations in cooperating establishments had supplied the requested data, the estimates in this bulletin would represent 14.7 million employees instead of the 14.5 million employees that are represented.

### 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. Two weight adjustment factors are applied to the establishment data. The first factor is introduced to account for the establishment nonresponse and a second post-stratification factor is introduced to adjust the estimated employment totals to actual counts of the employment by industry for the survey reference date. These actual employment figures are obtained from the State Unemployment Insurance reports for June 1990.

The general form of the estimator for a population total  $Y$  is:

$$Y = \sum_{i=1}^{n\hat{a}} \frac{f2_i f1_i}{P_i} \sum_{j=1}^{o_i} \frac{Y_{ij}}{P_{ij}}$$

where:

- $n\hat{a}$  = number of responding sample establishments;
- $o_i$  = occupation sample size selected from the  $i^{\text{th}}$  establishment;
- $Y_{ij}$  = value for the characteristics of the  $j^{\text{th}}$  selected occupation in the  $i^{\text{th}}$  selected establishment;
- $P_{ij}$  = the probability of including the  $j^{\text{th}}$  occupation in the sample of occupations from the  $i^{\text{th}}$  establishment;
- $f1_i$  = weight adjustment factor for nonresponse for the  $i^{\text{th}}$  establishment;
- $f2_i$  = weight adjustment factor for post-stratification totals for the  $i^{\text{th}}$  establishment

Appropriate employment or establishment totals are used to calculate the proportion, mean, or percent that is desired.

### Reliability of estimates

The statistics in this bulletin are estimates derived from a sample of 7,344 full-time and part-time usable occupation quotes selected from the 1,333 responding establishments, rather than tabulations based on data from all employees in all establishments within scope of the survey. Consequently, the data are subject to sampling errors, as well as nonsampling errors.

*Sampling errors* are the differences that can arise between results derived from a sample and those com-



puted 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 the formation of 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 percent, 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 informa-

tion 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.

Through the use of computer edits of the data and professional review of both individual and summarized data, efforts are made to 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 impact of these limitations on the EBS estimates is unknown, reliability measurements are incomplete.

Standard errors for the estimates presented in this bulletin are being prepared, but were not yet available at time of publication. Readers interested in these data should write to: Office of Compensation and Working Conditions, Bureau of Labor Statistics, Washington, DC 20212.

## Appendix B: Availability of the Survey's Data Base

The tables published in this bulletin present the major findings of the employee benefits survey in State and local governments. The survey includes data for both full-time and part-time employees. Results of additional research will appear as occasional articles in the *Monthly Labor Review*.

The statistical tables in these publications cover only a portion of the employee benefits information collected. Persons interested in all provisions of a particular benefit studied from the 1981-89 surveys can purchase a set of magnetic tapes containing the survey's data base by writing to: Office of Compensation and Working Conditions, Bureau of Labor Statistics, Washington, D.C. 20212. The 1987 survey covered State and local governments while the 1981-86 and 1988-89 surveys covered medium and large private establishments. At this time, the 1990 data are being studied to determine whether they can be made available to the public on magnetic tape. Questions on the availability of these tapes may be sent to the above address.

Because of the Bureau's pledge of confidentiality to survey respondents, the tapes have been carefully screened to remove or alter any data that would reveal the identity of individual establishments. The charge for furnishing the data is limited to the cost of producing the tapes and preparing supporting documentation.

For major benefit items, the BLS survey obtained plan provisions and employee participation data for each of three employee groups (regular employees, teachers, and police and firefighters). The magnetic tapes, which consist of a control file and plan data files for each benefit area, may be used to derive national estimates, similar to those published in this bulletin, for other items in the data base. For some data items not presented in this bulletin, however, the data file is insufficient to produce reliable national estimates, because either information on the provisions frequently was not available or the number of employees with the provision was very small. Moreover, the tapes may not yield reliable estimates for types of government sector (State and local, or educational services, health services, and public administration within local governments), geographic regions, or establishment size classes. Full documentation accompanies the tapes, including examples of estimating formulas. Although Bureau staff will respond to questions concerning the content of the tapes, technical assistance in developing estimates is limited due to the heavy workload associated with the survey program.

Data users can purchase individual tapes with details of plans for each of the following benefits or groups of bene-

fits: (1) Medical, dental, and vision care; (2) life insurance; (3) sickness and accident insurance; (4) long-term disability insurance; (5) retirement and capital accumulation plans; and (6) time off, flexible benefits, and reimbursement accounts. (This last tape contains data on lunch time, rest periods, holidays, personal leave, vacations, funeral leave, jury-duty leave, military leave, parental leave, sick leave, flexible benefits plans, and reimbursement accounts.) A single combined tape is also available that contains data for all of the benefits listed above. The plan data file contains provisions for each plan that was reported and for which usable information was available. However, plan identification numbers on the tape are scrambled (and other identifying information is removed) to protect the confidentiality of responding establishments.

Purchasers also receive the control file, which contains establishment information required to produce estimates from the plan data. Control file records include establishment size codes; geographic, industrial, and employee group classification codes; and the weighted number of workers in each employee group. The control file also lists all benefit plans offered in an establishment, with the weighted number of plan participants in each employee group. A plan is listed on more than one control file record if it covers employees in more than one establishment. Although plan identification numbers on the control file are scrambled, the same scrambled numbers appear on the data file so they can be matched to make estimates. Because establishment schedule numbers on the control file are scrambled differently for each employee group, it will not be possible to link together plans offered to different employee groups within an establishment.

Benefit provisions obtained from plan documents are recorded in coding manuals for medical, dental, and vision care, life insurance, sickness and accident insurance, long-term disability insurance, retirement, and capital accumulation plans, and are then entered on the plan data file. A set of coding manuals and instructions for completing them are supplied to tape purchasers for interpretation of data on the file. Time off, flexible benefits, and reimbursement account provisions are reported directly on collection forms, copies of which are also provided to tape purchasers.

The analysis of medical, dental, and vision care, life insurance, sickness and accident insurance, long-term disability insurance, retirement, and capital accumulation plans is extremely detailed. The following list of medical, dental, and vision care plan provisions included in the data base gives an indication of the extent of the information

available on the magnetic tapes. Coverage of other benefits is similarly detailed.

### Medical, dental, and vision care data base

Plan participation requirements

Employee monthly contribution for employee and family benefits

Pretax status of contributions

Type of plan and funding arrangement

- Medical benefits
- Dental benefits
- Vision benefits

Effect of retirement

- Retired employees benefit coverage, eligibility, and type of financing

Hospital coverage

- Hospital room and board coverage
- Hospital miscellaneous charges

Alternatives to hospitalization

- Extended care facility coverage
- Home health care coverage
- Hospice coverage

Surgical coverage

- In-hospital surgical coverage
- Second surgical opinion
- Outpatient surgical coverage

Physician charges

- In-hospital coverage
- Office visit coverage

Maternity care benefits

- Who is covered

Diagnostic X-ray and laboratory testing coverage

Mental health care benefits

- In-hospital room and board charges
- Coverage for mental or psychiatric hospital
- Outpatient mental health care

Substance abuse benefits

- In-hospital detoxification care
- In-hospital rehabilitative care
- Outpatient care  
(separate questions for alcohol abuse and drug abuse)

Other benefits

- Hearing care
- Orthoptics
- Physical examinations
- Organ transplants

- Well-baby care
- Immunization and inoculation
- Mammography
- Preventive dental care only (examinations and/or X-rays)
- Vision examinations only

Cost containment features

- No or limited reimbursement for nonemergency weekend admission to hospital
- Preadmission testing
- Preadmission certification required
- Birthing centers
- Hospital audit program
- Utilization review

Dental care benefits

- Who is covered
- Prophylaxis and routine exams
- X-rays
- Fillings
- Surgery—dental
- Periodontal care
- Endodontics
- Inlays
- Crowns
- Prosthetics
- Orthodontia
- Preauthorization requirement

Vision care benefits

- Who is covered
- Eyeglasses
- Eye examinations
- Contact lenses

Prescription drug benefits

- Brand name drugs
- Generic drugs

Overall limitations

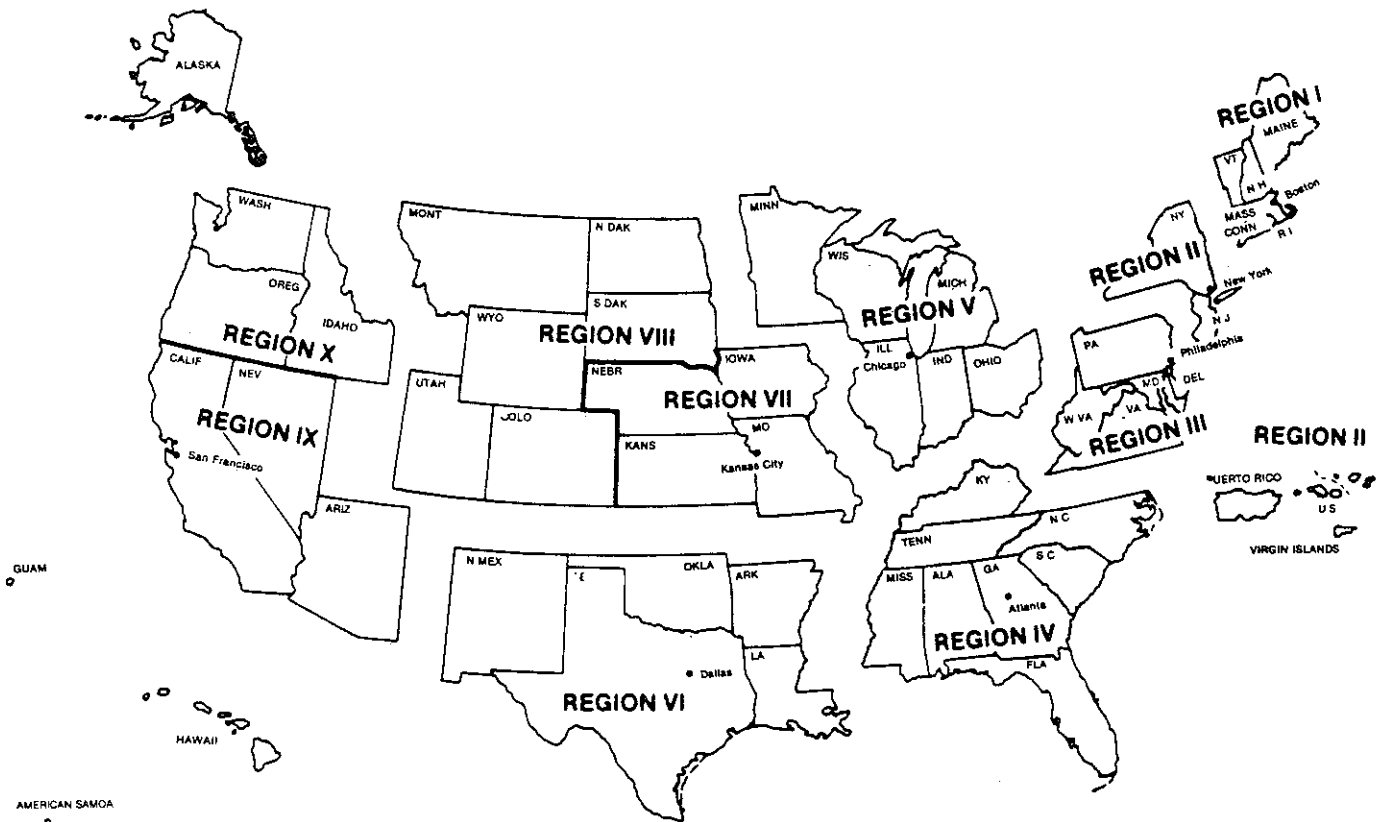
- Out-of-pocket expense limitation
- Overall deductible
- Overall maximum
- Overall coinsurance

Each medical expense section (e.g., hospitalization, prescription drugs, physician charges) contains information on internal limitations; these limits apply only to that category of care. For example, hospital room and board may have an internal limit of 120 days per confinement. Information on overall limitations is also included in each section, identifying limits that apply to more than one category of care. These overall limitations—deductibles, maximums, coinsurance, and out-of-pocket expense limitations—are then described at the end of the database. Three sets of data on overall limitations are available for plans that include multiple overall limits.



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