

# Employee Benefits in Medium and Large Firms, 1989



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# Preface

This bulletin presents results of a 1989 Bureau of Labor Statistics survey of the incidence and detailed provisions of selected employee benefit plans in medium and large firms. It is the Bureau's 10th survey in this series, and provides representative data for 32.4 million full-time employees in the Nation's private nonagricultural industries. Appendix A provides a detailed description of the coverage and statistical procedures used in the survey.

The 1989 Employee Benefits Survey reports on benefits provided to employees in establishments with 100 workers or more in all private nonfarm industries, the same as in the 1988 survey. Prior private industry surveys (1979-86) included establishments with either 100 or 250 employees or more, depending on the industry, and coverage in the services industries was limited. The 1987 survey looked at benefits provided to employees in State and local governments. The government survey is being repeated in 1990, along with a survey of benefits provided to employees in small private establishments (those with fewer than 100 workers). Benefits provided to employees in medium and large private establishments will be surveyed again in 1991. This pattern of alternating surveys will continue in the future.

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# Chapter 1. Incidence of Employee Benefit Plans

The employee benefits survey conducted by the Bureau of Labor Statistics provides data on employee work schedules and develops information on the incidence and detailed characteristics of employee benefits paid for, at least in part, by the employer. These benefits include 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; health and dental care; and private retirement/capital accumulation plans. Because data collection is limited to formal plans, the extent of such benefits as rest periods and personal leave may be understated.

Data also are 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 great majority of full-time workers within the scope of the Employee Benefits Survey were provided<sup>1</sup> health care, life insurance, and private retirement plans, as well as paid holidays and vacations (table 1). Among other benefits studied and commonly available in 1989 were employer-subsidized parking and reimbursement for employee educational expenses (table 2).

## Time-off and disability benefits

Several paid time-off benefits, including vacations, holidays, jury-duty leave, and funeral leave, are commonly

<sup>1</sup> Data were collected on the number of workers "participating" in benefit plans paid for at least in part by the employer. (There are a few exceptions to this general rule. The survey tabulates 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.) All workers were considered participants in wholly employer-financed plans that require 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 an employee to pay part of the cost (contributory plans), workers were considered participants only if they elected the plan.

provided to all workers.<sup>2</sup> In contrast, sick leave, provided to 68 percent of workers, and personal leave, provided to 22 percent of workers, are found more frequently among white-collar workers.<sup>3</sup> Formal paid lunch and paid rest time provisions are more common among blue-collar workers.

There are several reasons for these variations among worker groups. Although sick leave is more commonly available to salary-based white-collar workers, hourly paid blue-collar workers have similar protection through sickness and accident insurance plans. For lunch and rest time, the survey captured data only on formal arrangements, those specifically in writing or reasonably expected and available to everyone. Such arrangements often were the result of collective bargaining agreements and were found more frequently among blue-collar workers. Similar arrangements may exist on an informal basis for white-collar workers.

Unpaid maternity leave was available to 37 percent of all workers and unpaid paternity leave to 18 percent. There was little variation by occupational group. (Such benefits are separate from vacations, sick leave, and other time-off provisions that also may be available to new parents.) Paid parental leave was rare.

Unlike sickness and accident insurance, long-term disability insurance, which provides income replacement during extended or permanent periods of disability, is much more commonly available to white-collar (61 percent of employees) than to blue-collar workers (27 percent of employees). To meet the long-term income replacement needs of blue-collar workers, defined benefit pension plans typically begin paying a disability pension immedi-

<sup>2</sup> In addition to data on all full-time employees in medium and large establishments, data are presented separately for three occupational groups—professional-administrative, technical-clerical, and production-service workers. This bulletin often discusses the first two groups jointly as white-collar workers, in contrast with production-service, or blue-collar workers. (Between 1979 and 1986, production-service workers were labeled "production" workers.)

<sup>3</sup> Workers covered by a plan were labeled participants whether or not they used a benefit. Thus, while the tables in this bulletin describe the provisions of, for example, sick or parental leave plans, they do not indicate the number of employees using these benefits or the amount of leave time taken.



ately upon, or within a few months after, the onset of a long-term disability. White-collar workers, in contrast, frequently do not begin to receive disability pension benefits until retirement age.

### **Medical care, dental care, life insurance, retirement, and capital accumulation plans**

The incidence of medical care, dental care, and life insurance varied only slightly among occupational groups. While medical care and life insurance coverage has remained steady for several years, covering over 90 percent of workers, dental care coverage has risen steadily. In 1979, 49 percent of workers participated in a dental care plan; in 1989, 66 percent of workers were covered.

Eighty-one percent of all workers were covered by at least one retirement plan in 1989. Defined benefit pension plans, which specify a formula for determining future benefits, were the most frequently observed form of retirement plan, although the incidence of these plans has declined in recent years. In 1979, 87 percent of workers participated in a defined benefit plan; in 1989, 63 percent of employees participated in such a plan. (About three-tenths—7 percentage points—of the overall decrease stems from the survey's expansion in 1988 to smaller establishments and more service industries.)

In part, this decline reflects the growing popularity of defined contribution plans, which specify an employer contribution, but do not guarantee a benefit. Such plans can be vehicles for financing retirement benefits if funds can not be withdrawn easily, or they may be shorter term capital accumulation plans, if periodic withdrawals are allowed. Defined contribution plans were available to 48 percent of workers, and were more common among white-collar than blue-collar workers. There are several types of defined contribution plans: Savings and thrift, profit sharing, money purchase pension, employee stock ownership, and stock bonus plans.

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

Benefits may be provided to employees independently, or as part of a package, complete with options, known as a flexible benefits or cafeteria plan. Such arrangements give employees the opportunity to choose between several benefits, such as medical care, life insurance, and vacation days, and between several levels of care within a given benefit. Since the 1986 survey, the first to include coverage of flexible benefits plans, the incidence of these plans has risen steadily. Two percent of workers were eligible for such a plan in 1986; 9 percent were eligible in 1989.

Even more dramatic is the rise in eligibility for employer-sponsored reimbursement accounts, from 5 percent of workers in 1986 to 23 percent in 1989. These ac-

counts provide funds for employees to pay for expenses not covered by existing benefit plans, such as child care expenses and medical care deductibles. Accounts may include employer funds, employee funds contributed on a pre-tax basis, or both.

### **Other benefits**

In addition to the major benefits just described, the survey studied the incidence of 21 other benefits. These data show the percent of workers eligible for a specific benefit, but not the proportion of employees actually receiving it. Generally, if these benefits were provided, they covered all of the workers in an employee group (professional and administrative, technical and clerical, and production and service employees) within an establishment.

Of these benefits, the most frequently offered was employer-subsidized parking, which was available to 90 percent of the employees. Parking benefits included on-site facilities offered without charge, and reduced rates at commercial lots.

Another common benefit was educational assistance, which in general provided full or partial reimbursement of employee expenses for books, tuition, and fees. Sixty-nine percent of employees were eligible for job-related educational assistance, while 19 percent were eligible for non-job-related educational assistance.

Two employer-subsidized health promotion services—wellness programs and employee assistance programs—were increasingly available in 1989. Employee wellness programs were offered to 23 percent of employees, up from 17 percent in 1988. These programs offered structured, separate plans (that is, independent of health care benefits), such as exercise and physical fitness programs, weight control clinics, smoking-cessation programs, and stress management courses, to develop and maintain healthy lifestyles. Employee assistance programs were available to 49 percent of the workers (compared to 43 percent in 1988) and provided employee referral and counseling services concerning such problems as alcoholism, drug abuse, and emotional difficulties. Employee assistance programs are closely related to employee wellness programs and typically deal with more serious personal problems than the essentially preventive medical issues addressed by wellness programs. An additional health-related benefit, in-house infirmaries, was available to 36 percent of employees.

The availability of long-term care insurance was studied for the first time in 1989. Three percent of employees had such coverage available, generally purchased with employee funds at group rates.<sup>4</sup> Long-term care insurance covers extended nursing home stays, and may be available for employees, spouses, or other relatives.

<sup>4</sup> See footnote 1 for an explanation of coverage.

Travel accident insurance, for employees traveling on employer business, and employee discounts on purchases of the employer's goods or services, were available to just over half of all employees.

About one-fourth of all employees were eligible to use employer-provided recreation facilities. In the area of financial and legal services, 9 percent of employees were eligible for financial counseling and 4 percent were eligible for prepaid legal services. Five percent of employees were eligible for each of the following benefits: Supplemental unemployment benefits, subsidized commuting, and employer financial assistance for adoption proceedings.

Employer-subsidized child care, a benefit that has received much attention in recent years, was available to 5 percent of employees, up from 1 percent in 1985. In this survey, child care benefits were limited to employer-subsidized facilities or full or partial reimbursement to employees for the cost of caring for a child in a nursery, day care center, or by a babysitter, on or off the employer's premises. Situations where employers provided only information and referral services were not included.<sup>5</sup>

Eldercare, a benefit that includes employer subsidies for day care for elderly or disabled dependents, or time off for employees to handle such matters, was studied for the first time in 1989. Three percent of employees had such bene-

<sup>5</sup>For further analysis of child care, see Howard V. Hayghe, "Employers and Child Care: What Roles Do They Play?" *Monthly Labor Review*, September 1988, pp. 38-44.

fits available.<sup>6</sup>

The incidence of several benefits differed markedly by employee group. Among these were relocation expenses and travel accident insurance, for which a larger proportion of professional and administrative employees were usually covered. This may be due in part to the greater likelihood of moving and travel among professional and administrative workers than among the other groups. For example, full or partial payment by the employer of relocation expenses for transferred or newly hired employees was available to nearly seven-tenths of professional and administrative employees, but to only three-tenths of the technical and clerical employees, and one-fifth of the production and service employees. Job-related travel accident insurance was available to two-thirds of the white-collar employees, almost twice the proportion of blue-collar workers covered.

Severance pay, subsidized meals, financial counseling, employer assistance for adoptions and child care, and subsidized commuting were other benefits found almost twice as frequently among white-collar employees. Only supplemental unemployment benefits were substantially more common among blue-collar employees than among white-collar employees.

<sup>6</sup>See chapter 9, Plan Administration, for information on reimbursement accounts, an alternative means of subsidizing dependent care expenses.

**Table 1. Summary: Percent of full-time employees participating<sup>1</sup> in selected employee benefit programs, medium and large firms,<sup>2</sup> 1989**

| Employee benefit program               | All employees <sup>3</sup> | Professional and administrative employees <sup>3</sup> | Technical and clerical employees <sup>3</sup> | Production and service employees <sup>3</sup> | Employee benefit program                    | All employees <sup>3</sup> | Professional and administrative employees <sup>3</sup> | Technical and clerical employees <sup>3</sup> | Production and service employees <sup>3</sup> |
|--|----------------------------|--|---|---|---|----------------------------|--|---|---|
| <b>Paid:</b>                           |                            |  |   |   | <b>Dental care—Continued</b>                |                            |  |   |   |
| Holidays .....                         | 97                         | 97   | 96  | 97  | Family coverage:                            |                            |  |   |   |
| Vacations .....                        | 97                         | 98   | 99  | 95  | Wholly employer financed .....              | 25                         | 23   | 21  | 28  |
| Personal leave .....                   | 22                         | 28   | 30  | 14  | Partly employer financed .....              | 42                         | 46   | 46  | 37  |
| Lunch period .....                     | 10                         | 4  | 4   | 16  | Life insurance .....                        | 94                         | 95   | 94  | 93  |
| Rest time .....                        | 71                         | 57   | 69  | 80  | Wholly employer financed .....              | 82                         | 82   | 81  | 83  |
| Funeral leave .....                    | 84                         | 87   | 86  | 80  | Partly employer financed .....              | 12                         | 13   | 14  | 11  |
| Jury duty leave .....                  | 90                         | 95   | 92  | 87  | All retirement <sup>4</sup> .....           | 81                         | 85   | 81  | 80  |
| Military leave .....                   | 53                         | 61   | 57  | 45  | Defined benefit pension .....               | 63                         | 64   | 63  | 63  |
| Sick leave .....                       | 68                         | 93   | 87  | 44  | Wholly employer financed .....              | 60                         | 61   | 61  | 60  |
| Maternity leave .....                  | 3                          | 4  | 2   | 3   | Partly employer financed .....              | 3                          | 3  | 2   | 3   |
| Paternity leave .....                  | 1                          | 2  | 1   | 1   | Defined contribution <sup>5</sup> .....     | 48                         | 59   | 52  | 40  |
| <b>Unpaid:</b>                         |                            |  |   |   | <b>Uses of funds:</b>                       |                            |  |   |   |
| Maternity leave .....                  | 37                         | 39   | 37  | 35  | Retirement <sup>6</sup> .....               | 36                         | 43   | 39  | 31  |
| Paternity leave .....                  | 18                         | 20   | 17  | 17  | Wholly employer financed <sup>7</sup> ..... | 14                         | 15   | 14  | 12  |
| <b>Sickness and accident insurance</b> |                            |  |   |   | Partly employer financed .....              | 22                         | 28   | 24  | 18  |
| Wholly employer financed .....         | 43                         | 29   | 29  | 58  | Capital accumulation <sup>8</sup> .....     | 14                         | 18   | 14  | 11  |
| Wholly employer financed .....         | 36                         | 22   | 22  | 51  | Wholly employer financed <sup>7</sup> ..... | 2                          | 1  | 1   | 3   |
| Partly employer financed .....         | 7                          | 7  | 7   | 7   | Partly employer financed .....              | 12                         | 17   | 13  | 8   |
| <b>Long-term disability insurance</b>  |                            |  |   |   | <b>Types of plans:</b>                      |                            |  |   |   |
| Wholly employer financed .....         | 45                         | 65   | 57  | 27  | Savings and thrift .....                    | 30                         | 41   | 35  | 21  |
| Wholly employer financed .....         | 35                         | 50   | 43  | 23  | Deferred profit sharing .....               | 15                         | 13   | 13  | 16  |
| Partly employer financed .....         | 9                          | 15   | 14  | 4   | Employee stock ownership .....              | 3                          | 4  | 3   | 3   |
| <b>Medical care</b>                    |                            |  |   |   | Money purchase pension .....                | 5                          | 8  | 6   | 3   |
| Employee coverage:                     | 92                         | 93   | 91  | 93  | Stock bonus .....                           | ( <sup>9</sup> )           | ( <sup>9</sup> )                                       | ( <sup>9</sup> )                              | ( <sup>9</sup> )                              |
| Wholly employer financed .....         | 48                         | 45   | 41  | 54  | Stock option .....                          | ( <sup>9</sup> )           | ( <sup>9</sup> )                                       | ( <sup>9</sup> )                              | ( <sup>9</sup> )                              |
| Partly employer financed .....         | 44                         | 48   | 50  | 39  | Stock purchase .....                        | 2                          | 3  | 2   | 1   |
| Family coverage:                       |                            |  |   |   | Cash only profit-sharing .....              | 1                          | 1  | 1   | 1   |
| Wholly employer financed .....         | 31                         | 28   | 25  | 37  | Flexible benefits plans .....               | 9                          | 14   | 15  | 3   |
| Partly employer financed .....         | 60                         | 64   | 66  | 54  | Reimbursement accounts .....                | 23                         | 36   | 31  | 11  |
| <b>Dental care</b>                     |                            |  |   |   |   |                            |  |   |   |
| Employee coverage:                     | 66                         | 69   | 66  | 65  |   |                            |  |   |   |
| Wholly employer financed .....         | 34                         | 32   | 31  | 38  |   |                            |  |   |   |
| Partly employer financed .....         | 32                         | 37   | 36  | 27  |   |                            |  |   |   |

<sup>1</sup> Participants are workers covered by a paid time off, insurance, retirement, or capital accumulation plan. Workers eligible for paid or unpaid maternity and paternity leave are also covered. 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 many employees participated in both types of plans.

<sup>5</sup> The total is less than the sum of the individual items because some

employees participated in both retirement and capital accumulation plans, and in more than one type of plan.

<sup>6</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>7</sup> Employees participating in two or more plans were counted as participants in wholly employer-financed plans only if all plans were noncontributory.

<sup>8</sup> Includes plans in which employer contributions may be withdrawn from participant's account prior to retirement age, death, disability, separation from service, age 59 1/2, or hardship.

<sup>9</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 selected employee benefits, medium and large firms, 1989**

| Employee benefit                                 | All employees | Professional and administrative employees | Technical and clerical employees | Production and service employees |
|--|---------------|---|----------------------------------|----------------------------------|
| <b>Income continuation plans:</b>                |               |   |                                  |                                  |
| Severance pay .....                              | 39            | 54  | 46                               | 27                               |
| Supplemental unemployment benefits .....         | 5             | 2   | 2                                | 9                                |
| <b>Transportation benefits:</b>                  |               |   |                                  |                                  |
| Free or subsidized employee parking .....        | 90            | 85  | 86                               | 94                               |
| Subsidized commuting .....                       | 5             | 7   | 6                                | 3                                |
| Job-related travel accident insurance .....      | 53            | 69  | 60                               | 39                               |
| <b>Gifts and cash bonuses:</b>                   |               |   |                                  |                                  |
| Gifts .....                                      | 24            | 25  | 23                               | 25                               |
| Nonproduction bonuses .....                      | 27            | 26  | 28                               | 28                               |
| <b>Financial and legal services:</b>             |               |   |                                  |                                  |
| Financial counseling .....                       | 9             | 12  | 11                               | 6                                |
| Prepaid legal services .....                     | 4             | 2   | 2                                | 5                                |
| <b>Family benefits:</b>                          |               |   |                                  |                                  |
| Employer assistance for child care .....         | 5             | 6   | 6                                | 3                                |
| Employer financial assistance for adoption ..... | 5             | 8   | 6                                | 3                                |
| Eldercare .....                                  | 3             | 4   | 3                                | 2                                |
| Long-term care insurance .....                   | 3             | 3   | 3                                | 2                                |
| <b>Health promotion programs:</b>                |               |   |                                  |                                  |
| In-house infirmary .....                         | 36            | 40  | 35                               | 34                               |
| Wellness programs .....                          | 23            | 30  | 25                               | 19                               |
| Employee assistance programs .....               | 49            | 57  | 50                               | 44                               |
| <b>Miscellaneous benefits:</b>                   |               |   |                                  |                                  |
| Employee discounts .....                         | 54            | 53  | 58                               | 52                               |
| Employer-subsidized recreation facilities .....  | 28            | 36  | 26                               | 24                               |
| Subsidized meals .....                           | 23            | 29  | 29                               | 16                               |
| Relocation allowance .....                       | 36            | 68  | 29                               | 21                               |
| <b>Education assistance:</b>                     |               |   |                                  |                                  |
| Job related .....                                | 69            | 81  | 75                               | 59                               |
| Not job related .....                            | 19            | 21  | 17                               | 19                               |

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

## Chapter 2. Highlights of Plan Provisions

Although employees in different establishments may all be covered by a certain benefit, the characteristics of their plans may differ considerably. For example, the number of annual paid holidays reported in the survey ranged from 5 or fewer in some establishments to 14 or more in others. Similarly, benefit patterns may vary by occupational group. For example, pensions of white-collar employees are more likely to be based on earnings and coordinated with Social Security benefits than are those of blue-collar workers. Nevertheless, overall tendencies can be seen, and are summarized below.

### **Paid time off**

When paid leave was provided, covered employees received on average:

Rest periods of 26 minutes a day;

9 holidays each year;

Vacations of 9 days at 1 year of service, 17 days at 10 years, and 20 days at 20 years;

3 days of funeral leave per occurrence;

12 days of military leave per year;

Jury duty as needed.

### **Paid and unpaid parental leave**

The average length of unpaid parental leave was about 20 weeks;

Paid maternity or paternity leave was rare.

### **Disability benefits**

Short-term disability benefit plans, on average, provided:

Sick leave of 21 days per year with full pay at 5 years of service;

Sickness and accident insurance benefits for about 26 weeks.

Long-term disability insurance typically:

Replaced 50 or 60 percent of income;

Began after 6 months of disability.

### **Medical care, dental care, and life insurance**

For employees participating in medical care, dental care, and life insurance programs:

53 percent paid nothing for their own medical care, and 34 percent paid nothing for family coverage. Where workers contributed, average monthly employee premiums were \$25 for individual coverage, and \$72 for family coverage.

17 percent participated in health maintenance organization plans;

10 percent participated in preferred provider organization plans, up from 1 percent in 1986;

35 percent received vision care;

84 percent were protected against catastrophic health expenses, either through ceilings on out-of-pocket employee expenses or enrollment in health maintenance organizations;

22 percent were eligible for some employer-financed health care during a layoff;

42 percent were in plans that continued employer-financed health care coverage after retirement;

Virtually all dental care participants had coverage for preventive and restorative dental procedures, while 66 percent had coverage for orthodontia;

82 percent were covered by plans that imposed annual limits on dental expenses, typically \$1,000;

63 percent were required to have dental procedures approved by their plan if the cost of such procedures exceeded a certain amount, typically \$100;

68 percent were covered by life insurance determined by earnings; this was more common among white-collar participants;

42 percent had insurance available on the lives of their spouses, although the majority had to pay the entire premium for such coverage;

42 percent were in plans that continued employer-financed life insurance coverage after retirement.

## **Defined benefit pension plans**

For participants in these traditional retirement plans:

76 percent of participants were in plans with formulas based on earnings, most frequently on earnings during 5 consecutive years of employment;

Benefit formulas were integrated with Social Security benefits in plans affecting 63 percent of participants;

White-collar participants more commonly were covered by plans with earnings-based formulas, and more commonly had benefits coordinated with Social Security;

Common eligibility requirements for a normal, or un-reduced, pension were: Age 65 with no specified length of service, age 62 with 10 years of service, and 30 years of service with no age requirement;

68 percent of covered workers could retire with a reduced pension at age 55, most commonly after 10 years of service;

22 percent of covered workers were in plans that had granted one postretirement increase or more to retirees during the previous 5 years;

17 percent of participants were in plans that had extended one special early retirement offer or more to eligible workers during the previous 5 years.

## **Defined contribution plans**

The most frequently observed type of defined contribution plan was a savings and thrift plan. For participants in these plans:

92 percent were required or allowed to contribute funds on a pretax basis, deferring income taxes until funds are received from the plan;

The typical employer matching rate was 50 percent, and generally applied to the first 6 percent of earnings saved by the employee.

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

Flexible benefits plans typically provided choices among medical and dental care plans, life insurance amounts, and the option of receiving cash in lieu of benefits;

Reimbursement accounts most frequently provided funds for medical expenses and dependent care.

# Chapter 3. Work Schedules, Paid Time Off, and Parental Leave

Time off with pay is available to employees in several different forms—from daily rest periods to annual vacations of several weeks. In 1989, 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 maternity and paternity leave was also surveyed. (Information on paid sick leave appears in chapter 4.)

## Work schedules

Weekly work schedules of 40 hours applied to 82 percent of the full-time employees covered by the survey (table 3). Fifteen percent of the professional-administrative employees, 17 percent of the technical-clerical employees, and 4 percent of the production-service employees worked 35 or 37.5 hours a week (7- or 7.5-hour days). Four percent of the work force was scheduled to work other than a 5-day week.

For the first time, the survey included information on flexible work schedules. Eleven percent of workers studied had formal flexible work arrangements, giving employees the opportunity to begin and end work within a range of hours. Limits on the amount of flexibility vary from plan to plan, but generally employees must be at work for a core of hours during midday. Fifteen percent of white-collar workers had flexible work schedules available to them, more than double the coverage for blue-collar workers.

## Paid lunch and rest periods

Formal paid lunch periods were provided to 10 percent of the employees, and 71 percent were provided formal rest time, such as coffee breaks and cleanup time (tables 4 and 5). Both benefits were more common among production-service employees than among the two other occupational groups.

Blue-collar employees who were covered by paid lunch period plans (16 percent) usually received 20 or 30 minutes a day, averaging 24 minutes. The 4 percent of white-collar workers eligible averaged 35 minutes of paid lunch time each day. Paid rest time, averaging 26 minutes a day (as shown in the following tabulation), was provided most commonly as two daily breaks of 10 or 15 minutes each.

|  | All participants | Professional and administrative | Technical and clerical | Production and service |
|--|------------------|---------------------------------|------------------------|------------------------|
| Lunch time—average minutes per day . . . . . | 26               | 35                              | 34                     | 24                     |
| Rest time—average minutes per day . . . . .  | 26               | 26                              | 27                     | 26                     |

## Paid holidays

Paid holidays, averaging 9.2 days per year, were provided to 97 percent of full-time employees. Extended holiday plans, such as the Christmas-New Year's Day period provided in the auto industry, floating holidays, and "personal holidays," such as employee birthdays, were included in the holiday plans reported (tables 6 to 8).

When a holiday fell on a scheduled day off, such as a Saturday or Sunday, another day off was regularly granted to 84 percent of the employees. Most of the remaining workers received either another day off or an additional day's pay, depending on when the holiday fell.

## Paid vacations

Paid vacations were provided to 97 percent of employees (tables 6 and 9 to 11). Vacation pay provisions for these employees averaged 9.1 days at 1 year of service, 16.5 days at 10 years, 20.4 days at 20 years, and 21.9 days at 30 years. Plans covering white-collar employees generally provided more vacation days than those for blue-collar employees. Sixty-five percent of the white-collar employees, for example, became eligible for at least 15 days of vacation at 5 years of service; this compared with 34 percent of the blue-collar employees. In cases where holidays, vacation, sick leave days, or personal leave are combined under one leave category and could not be shown separately, it 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.

Nearly all white-collar employees received their regular salaries or earnings during vacation periods. Nine-tenths of the blue-collar employees also received such vacation pay; virtually all of the others were provided vacation payments based on a percentage of annual earnings. 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.

Virtually all employees covered by vacation plans had to work a specified period of time before being able to take a vacation. The most common length-of-service requirement was 6 months for white-collar participants and 1 year for blue-collar participants.

The survey also covered carryover and cash-in provisions for unused vacation time. Twenty-four percent of all workers covered were allowed to carry over at least some of their unused vacation days into the next year; 10 percent could cash in some or all of their vacation days at the end of the year; and 7 percent had both cash-in and carryover provisions. The majority, 56 percent, lost vacation days that were unused at the end of the year. White-collar workers were more than twice as likely to have carryover provisions than blue-collar workers who, in turn, enjoyed a similar advantage in cash-in 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 22 percent of the employees (table 12). Twenty-nine percent of the white-collar employees received personal leave, twice the proportion of blue-collar employees having this benefit. Most commonly, employees provided personal leave were eligible for 1 to 5 days; the average was 3.1 days per year. A few employees, primarily white-collar, were provided as much personal leave as needed. The survey did not cover the extent of informal personal leave.

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

At least 80 percent of the employees in each occupational group were eligible for paid leave to attend funerals of family members (table 13). Just over nine-tenths of eligible employees received a set number of days per occurrence, averaging 3.3 days. Averages were uniform among the occupational groups.

Nearly one-fifth of participants were in plans where the number of days off varied by family relationship (e.g., mother, sister) 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 informal benefit or allow employees to use other types of paid leave, such as paid sick leave days, to attend a funeral. (See chapter 4.)

Ninety percent of workers were eligible for paid leave while serving as a juror (table 14). Paid time off for jury duty was usually provided "as needed"; employer payments commonly made up the difference between the employee's regular pay and the court's jury allowance.

Military leave, providing pay for absence from work to fulfill military training or duty commitments, was available in establishments employing 53 percent of the employees (table 15). The most common provision was 2 weeks off per year, but 12 percent of the workers were in establishments providing military leave as needed. For workers with a specified number of days off, military leave averaged 11.9 workdays per year. Pay for military leave was either regular pay or the difference between regular pay and military pay.

### **Parental leave**

Unpaid maternity leave was available to 37 percent of employees; 18 percent were eligible for unpaid paternity leave (tables 16 and 17). Three percent of the workers had paid maternity leave and 1 percent had paid paternity leave coverage. Parental leave plans were defined by BLS as separate from an employee's other leave plans, such as short-term disability and paid vacations, which might be used by a new mother or father. Unpaid maternity and paternity leave generally could be 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.

For plans that provided a fixed number of days of unpaid maternity or paternity leave, maximum maternity benefits averaged just over 20 weeks and maximum paternity benefits averaged just over 19 weeks in duration. As shown below, the average weeks varied slightly by occupational group:

|                                       | Unpaid<br>maternity<br>leave weeks | Unpaid<br>paternity<br>leave weeks |
|---------------------------------------|------------------------------------|------------------------------------|
| All participants . . . . .            | 20.4                               | 19.3                               |
| Professional and administrative . . . | 22.0                               | 20.9                               |
| Technical and clerical . . . . .      | 20.7                               | 19.8                               |
| Production and service . . . . .      | 19.4                               | 18.0                               |

Individual plans differed considerably in the amount of unpaid time allowed, ranging from under 6 weeks to a little over 1 year. Nearly all plans with both maternity and paternity leave allowed the same length of time off for each reason.<sup>7</sup>

<sup>7</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> medium and large firms, 1989**

| Work schedule                      | All employees    | Professional and administrative employees | Technical and clerical employees | Production and service employees |
|------------------------------------|------------------|---|----------------------------------|----------------------------------|
| Total .....                        | 100              | 100                                       | 100                              | 100                              |
| Hours per week:                    |                  |   |                                  |                                  |
| Under 30 .....                     | ( <sup>2</sup> ) | ( <sup>2</sup> )                          | -                                | ( <sup>2</sup> )                 |
| 30 .....                           | ( <sup>2</sup> ) | ( <sup>2</sup> )                          | ( <sup>2</sup> )                 | 1                                |
| Over 30 and under 35 .....         | ( <sup>2</sup> ) | ( <sup>2</sup> )                          | ( <sup>2</sup> )                 | ( <sup>2</sup> )                 |
| 35 .....                           | 3                | 6   | 4                                | 1                                |
| Over 35 and under 37.5 .....       | 1                | 2   | 3                                | ( <sup>2</sup> )                 |
| 37.5 .....                         | 7                | 9   | 13                               | 3                                |
| Over 37.5 and under 40 .....       | 1                | 2   | 2                                | ( <sup>2</sup> )                 |
| 40 .....                           | 82               | 78  | 77                               | 88                               |
| Over 40 and under 50 .....         | 2                | 1   | 1                                | 4                                |
| 50 and over .....                  | ( <sup>2</sup> ) | 1   | ( <sup>2</sup> )                 | 1                                |
| Hours per week not available ..... | 1                | ( <sup>2</sup> )                          | ( <sup>2</sup> )                 | 1                                |
| Non-fixed work hours .....         | 1                | 1   | 1                                | 1                                |

<sup>1</sup> Work schedule data include regularly scheduled overtime, 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, medium and large firms, 1989**

| Minutes per day                       | All employees    | Professional and administrative employees | Technical and clerical employees | Production and service employees |
|---------------------------------------|------------------|---|----------------------------------|----------------------------------|
| Total .....                           | 100              | 100                                       | 100                              | 100                              |
| Provided paid lunch time .....        | 10               | 4   | 4                                | 16                               |
| Under 20 minutes .....                | 1                | ( <sup>1</sup> )                          | ( <sup>1</sup> )                 | 2                                |
| 20 minutes .....                      | 4                | ( <sup>1</sup> )                          | ( <sup>1</sup> )                 | 8                                |
| Over 20 and under 30 minutes .....    | ( <sup>1</sup> ) | -   | ( <sup>1</sup> )                 | ( <sup>1</sup> )                 |
| 30 minutes .....                      | 4                | 2   | 3                                | 5                                |
| Over 30 minutes .....                 | 1                | 1   | 1                                | 1                                |
| Number of minutes not available ..... | ( <sup>1</sup> ) | ( <sup>1</sup> )                          | ( <sup>1</sup> )                 | ( <sup>1</sup> )                 |
| Not provided paid lunch time .....    | 90               | 96  | 96                               | 84                               |

<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, medium and large firms, 1989**

| Minutes per day                       | All employees    | Professional and administrative employees | Technical and clerical employees | Production and service employees |
|---------------------------------------|------------------|---|----------------------------------|----------------------------------|
| Total .....                           | 100              | 100                                       | 100                              | 100                              |
| Provided paid rest time .....         | 71               | 57  | 69                               | 80                               |
| Under 15 minutes .....                | 1                | 1   | 1                                | 2                                |
| 15 minutes .....                      | 3                | 3   | 4                                | 2                                |
| Over 15 and under 20 minutes ....     | ( <sup>1</sup> ) | ( <sup>1</sup> )                          | ( <sup>1</sup> )                 | ( <sup>1</sup> )                 |
| 20 minutes .....                      | 22               | 14  | 15                               | 29                               |
| Over 20 and under 30 minutes ....     | 2                | 1   | 1                                | 4                                |
| 30 minutes .....                      | 40               | 37  | 49                               | 37                               |
| Over 30 and under 40 minutes ....     | ( <sup>1</sup> ) | ( <sup>1</sup> )                          | ( <sup>1</sup> )                 | 1                                |
| 40 minutes .....                      | 1                | ( <sup>1</sup> )                          | ( <sup>1</sup> )                 | 1                                |
| Over 40 minutes .....                 | 1                | ( <sup>1</sup> )                          | ( <sup>1</sup> )                 | 3                                |
| Number of minutes not available ..... | ( <sup>1</sup> ) | ( <sup>1</sup> )                          | ( <sup>1</sup> )                 | ( <sup>1</sup> )                 |
| Not provided paid rest time .....     | 29               | 43  | 31                               | 20                               |

<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, medium and large firms, 1989**

| Item   | All participants | Professional and administrative participants | Technical and clerical participants | Production and service participants |
|--|------------------|--|-------------------------------------|-------------------------------------|
| Paid holidays .....                              | 9.2              | 9.6  | 9.2                                 | 8.9                                 |
| Paid vacation by length of service: <sup>1</sup> |                  |  |                                     |                                     |
| At 6 months .....                                | 6.0              | 6.6  | 6.0                                 | 5.3                                 |
| At 1 year .....                                  | 9.1              | 11.1   | 9.9                                 | 7.5                                 |
| At 3 years .....                                 | 11.0             | 12.2   | 11.2                                | 10.3                                |
| At 5 years .....                                 | 13.4             | 14.9   | 14.0                                | 12.1                                |
| At 10 years .....                                | 16.5             | 17.8   | 16.9                                | 15.6                                |
| At 15 years .....                                | 18.6             | 19.7   | 19.2                                | 17.7                                |
| At 20 years .....                                | 20.4             | 21.4   | 20.6                                | 19.7                                |
| At 25 years .....                                | 21.5             | 22.4   | 21.7                                | 20.9                                |
| At 30 years <sup>2</sup> .....                   | 21.9             | 22.8   | 22.0                                | 21.3                                |

<sup>1</sup> Participants are 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.

**Table 7. Paid holidays: Percent of full-time employees by number of paid holidays provided each year, medium and large firms, 1989**

| Number of days                     | All employees    | Professional and administrative employees | Technical and clerical employees | Production and service employees |
|------------------------------------|------------------|---|----------------------------------|----------------------------------|
| Total .....                        | 100              | 100                                       | 100                              | 100                              |
| Provided paid holidays .....       | 97               | 97  | 96                               | 97                               |
| Under 5 days .....                 | 3                | 2   | ( <sup>1</sup> )                 | 5                                |
| 5 days .....                       | 2                | 1   | 2                                | 3                                |
| 5 days plus 1 or more half days .. | ( <sup>1</sup> ) | ( <sup>1</sup> )                          | 1                                | ( <sup>1</sup> )                 |
| 6 days .....                       | 10               | 6   | 10                               | 12                               |
| 6 days plus 1 or more half days .. | ( <sup>1</sup> ) | ( <sup>1</sup> )                          | ( <sup>1</sup> )                 | ( <sup>1</sup> )                 |
| 7 days .....                       | 11               | 8   | 9                                | 13                               |
| 7 days plus 1 or more half days .. | ( <sup>1</sup> ) | ( <sup>1</sup> )                          | ( <sup>1</sup> )                 | ( <sup>1</sup> )                 |
| 8 days .....                       | 9                | 11  | 12                               | 7                                |
| 8 days plus 1 or more half days .. | ( <sup>1</sup> ) | ( <sup>1</sup> )                          | ( <sup>1</sup> )                 | ( <sup>1</sup> )                 |
| 9 days .....                       | 8                | 9   | 8                                | 7                                |
| 9 days plus 1 or more half days .. | 1                | 1   | 1                                | 1                                |
| 10 days .....                      | 24               | 26  | 28                               | 19                               |
| 10 days plus 1 or more half days   | 1                | 1   | 1                                | 1                                |
| 11 days .....                      | 13               | 14  | 11                               | 14                               |
| 11 days plus 1 or more half days   | ( <sup>1</sup> ) | ( <sup>1</sup> )                          | ( <sup>1</sup> )                 | ( <sup>1</sup> )                 |
| 12 days .....                      | 7                | 10  | 7                                | 6                                |
| 12 days plus 1 or more half days   | ( <sup>1</sup> ) | ( <sup>1</sup> )                          | ( <sup>1</sup> )                 | ( <sup>1</sup> )                 |
| 13 days .....                      | 5                | 5   | 3                                | 6                                |
| 13 days plus 1 or more half days   | ( <sup>1</sup> ) | ( <sup>1</sup> )                          | ( <sup>1</sup> )                 | ( <sup>1</sup> )                 |
| 14 days .....                      | 1                | 1   | 1                                | 1                                |
| More than 14 days .....            | 1                | 1   | ( <sup>1</sup> )                 | 1                                |
| Number of days not available ..... | ( <sup>1</sup> ) | ( <sup>1</sup> )                          | ( <sup>1</sup> )                 | ( <sup>1</sup> )                 |
| Not provided paid holidays .....   | 3                | 3   | 4                                | 3                                |

<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, medium and large firms, 1989**

| Holiday policy   | All participants | Professional and administrative participants | Technical and clerical participants | Production and service participants |
|--|------------------|--|-------------------------------------|-------------------------------------|
| Total .....  | 100              | 100  | 100                                 | 100                                 |
| Holiday is not observed .....  | 2                | 1  | 1                                   | 3                                   |
| Another day off granted .....  | 84               | 86   | 87                                  | 80                                  |
| Additional day's pay in lieu of holiday .....                                  | 3                | 2  | 2                                   | 4                                   |
| Another day off or day's pay, depending on when holiday falls ...              | 10               | 8  | 8                                   | 11                                  |
| Another day off or holiday not observed, depending on when holiday falls ..... | 1                | 1  | 1                                   | ( <sup>1</sup> )                    |
| Other provision applies <sup>2</sup> .....                                     | 1                | 1  | 1                                   | ( <sup>1</sup> )                    |
| Holiday policy not determinable .....  | ( <sup>1</sup> ) | 1  | ( <sup>1</sup> )                    | ( <sup>1</sup> )                    |

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

<sup>2</sup> Includes plans where the policy differs by holiday.

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

**Table 9. Paid vacations: Percent of full-time employees by amount of paid vacation provided at selected periods of service, medium and large firms, 1989**

| Vacation policy                            | All employees    | Professional and administrative employees | Technical and clerical employees | Production and service employees | Vacation policy                 | All employees    | Professional and administrative employees | Technical and clerical employees | Production and service employees |
|--|------------------|---|----------------------------------|----------------------------------|---------------------------------|------------------|---|----------------------------------|----------------------------------|
| Total .....                                | 100              | 100                                       | 100                              | 100                              |                                 |                  |   |                                  |                                  |
| Provided paid vacations <sup>1</sup> ..... | 97               | 98  | 99                               | 95                               | At 5 years of service—Continued |                  |   |                                  |                                  |
| At 6 months of service:                    |                  |   |                                  |                                  | 10 days .....                   | 40               | 25  | 33                               | 53                               |
| Under 5 days .....                         | 6                | 4   | 4                                | 9                                | Over 10 and under 15 days ..... | 5                | 5   | 4                                | 5                                |
| 5 days .....                               | 34               | 41  | 43                               | 26                               | 15 days .....                   | 41               | 50  | 50                               | 30                               |
| Over 5 and under 10 days .....             | 9                | 16  | 14                               | 3                                | Over 15 and under 20 days ..... | 2                | 2   | 2                                | 1                                |
| 10 days .....                              | 4                | 7   | 7                                | 1                                | 20 days .....                   | 5                | 9   | 6                                | 1                                |
| Over 10 and under 15 days .....            | 1                | 2   | 2                                | 1                                | Over 20 and under 25 days ..... | 1                | 2   | 1                                | 1                                |
| 15 days .....                              | 1                | 2   | ( <sup>9</sup> )                 | ( <sup>9</sup> )                 | 25 days .....                   | 1                | 2   | ( <sup>9</sup> )                 | ( <sup>9</sup> )                 |
| Over 15 days .....                         | 1                | 2   | ( <sup>9</sup> )                 | 1                                | Over 25 days .....              | 2                | 3   | 2                                | 1                                |
| At 1 year of service:                      |                  |   |                                  |                                  | At 10 years of service:         |                  |   |                                  |                                  |
| Under 5 days .....                         | 1                | ( <sup>9</sup> )                          | ( <sup>9</sup> )                 | 1                                | Under 5 days .....              | ( <sup>9</sup> ) | ( <sup>9</sup> )                          | ( <sup>9</sup> )                 | ( <sup>9</sup> )                 |
| 5 days .....                               | 31               | 10  | 17                               | 51                               | 5 days .....                    | ( <sup>9</sup> ) | ( <sup>9</sup> )                          | ( <sup>9</sup> )                 | 1                                |
| Over 5 and under 10 days .....             | 1                | 1   | 1                                | 1                                | Over 5 and under 10 days .....  | ( <sup>9</sup> ) | -   | ( <sup>9</sup> )                 | ( <sup>9</sup> )                 |
| 10 days .....                              | 52               | 64  | 69                               | 36                               | 10 days .....                   | 6                | 2   | 5                                | 9                                |
| Over 10 and under 15 days .....            | 3                | 5   | 5                                | 1                                | Over 10 and under 15 days ..... | 1                | ( <sup>9</sup> )                          | ( <sup>9</sup> )                 | 1                                |
| 15 days .....                              | 4                | 10  | 3                                | 1                                | 15 days .....                   | 57               | 50  | 57                               | 61                               |
| Over 15 and under 20 days .....            | 1                | 1   | 1                                | ( <sup>9</sup> )                 | Over 15 and under 20 days ..... | 6                | 4   | 5                                | 7                                |
| 20 days .....                              | 1                | 4   | 1                                | ( <sup>9</sup> )                 | 20 days .....                   | 21               | 32  | 24                               | 13                               |
| Over 20 and under 25 days .....            | 1                | 2   | 1                                | 1                                | Over 20 and under 25 days ..... | 2                | 3   | 2                                | 1                                |
| 25 days and over .....                     | 1                | 1   | 1                                | ( <sup>9</sup> )                 | 25 days .....                   | 1                | 2   | 2                                | ( <sup>9</sup> )                 |
| At 3 years of service:                     |                  |   |                                  |                                  | Over 25 days .....              | 3                | 4   | 3                                | 2                                |
| Under 5 days .....                         | ( <sup>9</sup> ) | ( <sup>9</sup> )                          | ( <sup>9</sup> )                 | ( <sup>9</sup> )                 | At 15 years of service:         |                  |   |                                  |                                  |
| 5 days .....                               | 3                | ( <sup>9</sup> )                          | 2                                | 5                                | Under 5 days .....              | ( <sup>9</sup> ) | ( <sup>9</sup> )                          | ( <sup>9</sup> )                 | ( <sup>9</sup> )                 |
| Over 5 and under 10 days .....             | 1                | ( <sup>9</sup> )                          | ( <sup>9</sup> )                 | 2                                | 5 days .....                    | ( <sup>9</sup> ) | ( <sup>9</sup> )                          | ( <sup>9</sup> )                 | 1                                |
| 10 days .....                              | 73               | 65  | 76                               | 76                               | Over 5 and under 10 days .....  | ( <sup>9</sup> ) | -   | ( <sup>9</sup> )                 | ( <sup>9</sup> )                 |
| Over 10 and under 15 days .....            | 6                | 6   | 5                                | 6                                | 10 days .....                   | 4                | 2   | 3                                | 5                                |
| 15 days .....                              | 8                | 15  | 9                                | 3                                | Over 10 and under 15 days ..... | ( <sup>9</sup> ) | ( <sup>9</sup> )                          | ( <sup>9</sup> )                 | ( <sup>9</sup> )                 |
| Over 15 and under 20 days .....            | 1                | 2   | 1                                | 1                                | 15 days .....                   | 27               | 19  | 23                               | 33                               |
| 20 days .....                              | 2                | 6   | 3                                | ( <sup>9</sup> )                 | Over 15 and under 20 days ..... | 4                | 3   | 3                                | 5                                |
| Over 20 and under 25 days .....            | 1                | 2   | 2                                | 1                                | 20 days .....                   | 53               | 61  | 59                               | 45                               |
| 25 days and over .....                     | 1                | 2   | 1                                | ( <sup>9</sup> )                 | Over 20 and under 25 days ..... | 3                | 4   | 3                                | 2                                |
| At 5 years of service:                     |                  |   |                                  |                                  | 25 days .....                   | 3                | 5   | 3                                | 2                                |
| Under 5 days .....                         | ( <sup>9</sup> ) | ( <sup>9</sup> )                          | ( <sup>9</sup> )                 | ( <sup>9</sup> )                 | Over 25 and under 30 days ..... | 2                | 2   | 3                                | 1                                |
| 5 days .....                               | 1                | ( <sup>9</sup> )                          | ( <sup>9</sup> )                 | 2                                | days .....                      | ( <sup>9</sup> ) | 1   | 1                                | ( <sup>9</sup> )                 |
| Over 5 and under 10 days .....             | ( <sup>9</sup> ) | ( <sup>9</sup> )                          | ( <sup>9</sup> )                 | ( <sup>9</sup> )                 | 30 days .....                   | 1                | 2   | 2                                | 1                                |
|  |                  |   |                                  |                                  | Over 30 days .....              |                  |   |                                  |                                  |

**Table 9. Paid vacations: Percent of full-time employees by amount of paid vacation provided at selected periods of service, medium and large firms, 1989—Continued**

| Vacation policy                 | All employees    | Professional and administrative employees | Technical and clerical employees | Production and service employees | Vacation policy                      | All employees    | Professional and administrative employees | Technical and clerical employees | Production and service employees |
|---------------------------------|------------------|---|----------------------------------|----------------------------------|--------------------------------------|------------------|---|----------------------------------|----------------------------------|
| At 20 years of service:         |                  |   |                                  |                                  | At 25 years of service—Continued     |                  |   |                                  |                                  |
| Under 5 days .....              | ( <sup>1</sup> ) | ( <sup>1</sup> )                          | ( <sup>1</sup> )                 | ( <sup>1</sup> )                 | Over 20 and under 25 days .....      | 3                | 4   | 4                                | 2                                |
| 5 days .....                    | ( <sup>1</sup> ) | ( <sup>1</sup> )                          | ( <sup>1</sup> )                 | 1                                | 25 days .....                        | 34               | 36  | 32                               | 33                               |
| 10 days .....                   | 4                | 2   | 3                                | 5                                | Over 25 and under 30 days .....      | 2                | 2   | 3                                | 1                                |
| Over 10 and under 15 days ..... | ( <sup>1</sup> ) | ( <sup>1</sup> )                          | ( <sup>1</sup> )                 | ( <sup>1</sup> )                 | 30 days .....                        | 4                | 4   | 3                                | 3                                |
| 15 days .....                   | 14               | 8   | 13                               | 18                               | Over 30 days .....                   | 2                | 3   | 2                                | 2                                |
| Over 15 and under 20 days ..... | 1                | ( <sup>1</sup> )                          | 1                                | 2                                | At 30 years of service: <sup>3</sup> |                  |   |                                  |                                  |
| 20 days .....                   | 51               | 55  | 55                               | 46                               | Under 5 days .....                   | ( <sup>1</sup> ) | -   | -                                | ( <sup>1</sup> )                 |
| Over 20 and under 25 days ..... | 3                | 4   | 4                                | 2                                | 5 days .....                         | ( <sup>1</sup> ) | ( <sup>1</sup> )                          | ( <sup>1</sup> )                 | 1                                |
| 25 days .....                   | 19               | 22  | 16                               | 18                               | 10 days .....                        | 3                | 2   | 3                                | 5                                |
| Over 25 and under 30 days ..... | 2                | 2   | 3                                | 1                                | Over 10 and under 15 days .....      | ( <sup>1</sup> ) | ( <sup>1</sup> )                          | ( <sup>1</sup> )                 | ( <sup>1</sup> )                 |
| 30 days .....                   | 1                | 1   | 1                                | 1                                | 15 days .....                        | 13               | 8   | 13                               | 16                               |
| Over 30 days .....              | 2                | 3   | 2                                | 1                                | Over 15 and under 20 days .....      | 1                | ( <sup>1</sup> )                          | ( <sup>1</sup> )                 | 2                                |
| At 25 years of service:         |                  |   |                                  |                                  | 20 days .....                        | 34               | 38  | 37                               | 30                               |
| Under 5 days .....              | ( <sup>1</sup> ) | -   | -                                | ( <sup>1</sup> )                 | Over 20 and under 25 days .....      | 2                | 3   | 3                                | 1                                |
| 5 days .....                    | ( <sup>1</sup> ) | ( <sup>1</sup> )                          | ( <sup>1</sup> )                 | 1                                | 25 days .....                        | 30               | 32  | 30                               | 29                               |
| 10 days .....                   | 3                | 2   | 3                                | 5                                | Over 25 and under 30 days .....      | 2                | 2   | 3                                | 1                                |
| Over 10 and under 15 days ..... | ( <sup>1</sup> ) | ( <sup>1</sup> )                          | ( <sup>1</sup> )                 | ( <sup>1</sup> )                 | 30 days .....                        | 8                | 9   | 7                                | 7                                |
| 15 days .....                   | 13               | 8   | 13                               | 16                               | Over 30 days .....                   | 3                | 4   | 3                                | 3                                |
| Over 15 and under 20 days ..... | 1                | ( <sup>1</sup> )                          | ( <sup>1</sup> )                 | 2                                | Not provided paid vacations .....    | 3                | 2   | 1                                | 5                                |
| 20 days .....                   | 35               | 39  | 38                               | 30                               |                                      |                  |   |                                  |                                  |

<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> Less than 0.5 percent.

<sup>3</sup> Provisions were virtually the same after longer years of service.

NOTE: Data include anniversary year bonus days. 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, medium and large firms, 1989**

| Length of service requirement              | All participants | Professional and administrative participants | Technical and clerical participants | Production and service participants |
|--|------------------|--|-------------------------------------|-------------------------------------|
| Total .....                                | 100              | 100  | 100                                 | 100                                 |
| With service requirement .....             | 95               | 92   | 94                                  | 96                                  |
| 1 month .....                              | 6                | 9  | 9                                   | 4                                   |
| 2 months .....                             | 1                | 2  | 1                                   | 1                                   |
| 3 months .....                             | 10               | 11   | 12                                  | 7                                   |
| 4-5 months .....                           | 1                | 1  | 1                                   | 1                                   |
| 6 months .....                             | 35               | 43   | 42                                  | 27                                  |
| 7-11 months .....                          | 1                | ( <sup>1</sup> )                             | 1                                   | 1                                   |
| 1 year .....                               | 40               | 26   | 29                                  | 55                                  |
| Over 1 year .....                          | ( <sup>1</sup> ) | -  | ( <sup>1</sup> )                    | 1                                   |
| Without service requirement .....          | 5                | 7  | 5                                   | 2                                   |
| Service requirement not determinable ..... | 1                | 1  | ( <sup>1</sup> )                    | 1                                   |

<sup>1</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 11. Paid vacations: Percent of full-time participants by unused vacation policy, medium and large firms, 1989**

| Policy                      | All participants | Professional and administrative participants | Technical and clerical participants | Production and service participants |
|-----------------------------|------------------|--|-------------------------------------|-------------------------------------|
| Total .....                 | 100              | 100  | 100                                 | 100                                 |
| Carryover only .....        | 24               | 33   | 33                                  | 15                                  |
| Cash-in only .....          | 10               | 6  | 7                                   | 15                                  |
| Carryover and cash-in ..... | 7                | 7  | 8                                   | 6                                   |
| Unused benefit lost .....   | 56               | 50   | 51                                  | 63                                  |
| Data not available .....    | 2                | 3  | 2                                   | 1                                   |

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

**Table 13. Paid funeral leave: Percent of full-time employees by number of paid funeral leave days available per occurrence, medium and large firms, 1989**

| Number of days   | All employees    | Professional and administrative employees | Technical and clerical employees | Production and service employees |
|--|------------------|---|----------------------------------|----------------------------------|
| Total .....  | 100              | 100                                       | 100                              | 100                              |
| Provided paid funeral leave .....                                    | 84               | 87  | 86                               | 80                               |
| 1 day .....  | 1                | 1   | 1                                | 1                                |
| 2 days .....   | 3                | 3   | 4                                | 2                                |
| 3 days .....   | 62               | 59  | 58                               | 66                               |
| 4 days .....   | 3                | 4   | 3                                | 2                                |
| 5 days .....   | 9                | 13  | 13                               | 5                                |
| More than 5 days .....   | ( <sup>1</sup> ) | ( <sup>1</sup> )                          | ( <sup>1</sup> )                 | 1                                |
| Varies by length of service .....                                    | 5                | 9   | 6                                | 3                                |
| Number of days not available .....                                   | ( <sup>1</sup> ) | ( <sup>1</sup> )                          | ( <sup>1</sup> )                 | ( <sup>1</sup> )                 |
| Not provided paid funeral leave .....                                | 16               | 13  | 14                               | 20                               |
| Number of days varies by relationship to deceased <sup>2</sup> ..... | 19               | 19  | 20                               | 18                               |

<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 12. Paid personal leave: Percent of full-time employees by number of paid personal leave days provided per year, medium and large firms, 1989**

| Number of days                          | All employees    | Professional and administrative employees | Technical and clerical employees | Production and service employees |
|---|------------------|---|----------------------------------|----------------------------------|
| Total .....                             | 100              | 100                                       | 100                              | 100                              |
| Provided paid personal leave .....      | 22               | 28  | 30                               | 14                               |
| 1 day .....                             | 3                | 3   | 3                                | 2                                |
| 2 days .....                            | 5                | 6   | 8                                | 3                                |
| 3 days .....                            | 4                | 4   | 5                                | 2                                |
| 4 days .....                            | 3                | 3   | 4                                | 2                                |
| 5 days .....                            | 2                | 3   | 3                                | 1                                |
| More than 5 days .....                  | 1                | 2   | 2                                | 1                                |
| No maximum specified <sup>1</sup> ..... | 3                | 6   | 3                                | 1                                |
| Varies by length of service .....       | 2                | 1   | 3                                | 1                                |
| Number of days not available .....      | ( <sup>1</sup> ) | -   | -                                | ( <sup>1</sup> )                 |
| Not provided paid personal leave .....  | 78               | 72  | 70                               | 86                               |

<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 jury-duty leave: Percent of full-time employees by number of paid jury-duty leave days available per occurrence, medium and large firms, 1989**

| Number of days                          | All employees    | Professional and administrative employees | Technical and clerical employees | Production and service employees |
|---|------------------|---|----------------------------------|----------------------------------|
| Total .....                             | 100              | 100                                       | 100                              | 100                              |
| Provided paid jury-duty leave .....     | 90               | 95  | 92                               | 87                               |
| Under 10 days .....                     | 1                | 1   | 2                                | 1                                |
| 10 days .....                           | 5                | 5   | 5                                | 5                                |
| 11-19 days .....                        | 1                | 1   | 1                                | 1                                |
| 20 days .....                           | 2                | 2   | 1                                | 2                                |
| 21-29 days .....                        | 1                | 1   | 1                                | ( <sup>1</sup> )                 |
| 30 days .....                           | 1                | 2   | 1                                | 1                                |
| More than 30 days .....                 | ( <sup>1</sup> ) | ( <sup>1</sup> )                          | ( <sup>1</sup> )                 | 1                                |
| No maximum specified <sup>2</sup> ..... | 79               | 83  | 82                               | 75                               |
| Number of days not available .....      | ( <sup>1</sup> ) | ( <sup>1</sup> )                          | ( <sup>1</sup> )                 | ( <sup>1</sup> )                 |
| Not provided paid jury-duty leave ..... | 10               | 5   | 8                                | 13                               |

<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 15. Paid military leave: Percent of full-time employees by number of paid military leave days available per year, medium and large firms, 1989**

| Number of days                          | All employees    | Professional and administrative employees | Technical and clerical employees | Production and service employees |
|---|------------------|---|----------------------------------|----------------------------------|
| Total .....                             | 100              | 100                                       | 100                              | 100                              |
| Provided paid military leave .....      | 53               | 61  | 57                               | 45                               |
| 5 days .....                            | 2                | 1   | 4                                | 1                                |
| 6-9 days .....                          | ( <sup>1</sup> ) | ( <sup>1</sup> )                          | ( <sup>1</sup> )                 | 1                                |
| 10 days .....                           | 31               | 37  | 34                               | 26                               |
| 11-14 days .....                        | 1                | 1   | 1                                | 1                                |
| 15 days .....                           | 2                | 3   | 3                                | 2                                |
| 16-19 days .....                        | 1                | 1   | 1                                | 1                                |
| 20 days .....                           | 2                | 3   | 1                                | 1                                |
| 21-29 days .....                        | ( <sup>1</sup> ) | ( <sup>1</sup> )                          | ( <sup>1</sup> )                 | ( <sup>1</sup> )                 |
| 30 days .....                           | 2                | 2   | 1                                | 2                                |
| More than 30 days .....                 | ( <sup>1</sup> ) | ( <sup>1</sup> )                          | ( <sup>1</sup> )                 | ( <sup>1</sup> )                 |
| No maximum specified <sup>2</sup> ..... | 12               | 13  | 12                               | 11                               |
| Number of days not available .....      | ( <sup>1</sup> ) | ( <sup>1</sup> )                          | ( <sup>1</sup> )                 | ( <sup>1</sup> )                 |
| Not provided paid military leave .....  | 47               | 39  | 43                               | 55                               |

<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 16. Parental leave: Percent of full-time employees by leave policy, medium and large firms, 1989**

| Employer leave policy                           | All employees    | Professional and administrative employees | Technical and clerical employees | Production and service employees |
|---|------------------|---|----------------------------------|----------------------------------|
| Total .....                                     | 100              | 100                                       | 100                              | 100                              |
| Eligible for parental leave <sup>1</sup> .....  | 41               | 45  | 41                               | 39                               |
| Eligible for maternity leave .....              | 41               | 44  | 41                               | 39                               |
| Paid days only .....                            | 2                | 2   | 1                                | 2                                |
| Unpaid days only .....                          | 35               | 37  | 36                               | 34                               |
| Both unpaid and paid days .....                 | 1                | 2   | 1                                | 1                                |
| Information not available on type of days ..... | 2                | 3   | 2                                | 2                                |
| Not eligible for maternity leave .....          | ( <sup>2</sup> ) | 1   | ( <sup>2</sup> )                 | ( <sup>2</sup> )                 |
| Eligible for paternity leave .....              | 20               | 23  | 20                               | 19                               |
| Paid days only .....                            | 1                | 2   | 1                                | 1                                |
| Unpaid days only .....                          | 18               | 20  | 17                               | 17                               |
| 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 paternity leave .....          | 21               | 21  | 21                               | 20                               |
| Not eligible for parental leave .....           | 59               | 55  | 59                               | 61                               |

<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 17. Unpaid parental leave<sup>1</sup>: Percent of eligible full-time employees by maximum duration of benefits, medium and large firms, 1989**

| Duration                         | All eligible employees | Professional and administrative employees | Technical and clerical employees | Production and service employees |
|----------------------------------|------------------------|---|----------------------------------|----------------------------------|
| <b>Unpaid maternity leave</b>    |                        |   |                                  |                                  |
| Total .....                      | 100                    | 100                                       | 100                              | 100                              |
| Under 6 weeks .....              | 2                      | 1   | 1                                | 2                                |
| 6 weeks .....                    | 15                     | 12  | 13                               | 18                               |
| Over 6 and under 8 weeks .....   | ( <sup>2</sup> )       | -   | ( <sup>2</sup> )                 | -                                |
| 8 weeks .....                    | 4                      | 5   | 2                                | 5                                |
| Over 8 and under 13 weeks .....  | 9                      | 7   | 9                                | 11                               |
| 13 weeks .....                   | 15                     | 18  | 19                               | 11                               |
| Over 13 and under 26 weeks ..... | 19                     | 18  | 19                               | 21                               |
| 26 weeks .....                   | 20                     | 19  | 22                               | 19                               |
| Over 26 and under 52 weeks ..... | 5                      | 6   | 6                                | 3                                |
| 52 weeks .....                   | 11                     | 13  | 10                               | 10                               |
| Over 52 weeks .....              | ( <sup>2</sup> )       | -   | -                                | ( <sup>2</sup> )                 |
| <b>Unpaid paternity leave</b>    |                        |   |                                  |                                  |
| Total .....                      | 100                    | 100                                       | 100                              | 100                              |
| Under 6 weeks .....              | 3                      | 5   | 2                                | 3                                |
| 6 weeks .....                    | 21                     | 17  | 21                               | 24                               |
| 8 weeks .....                    | 3                      | 3   | 2                                | 4                                |
| Over 8 and under 13 weeks .....  | 8                      | 8   | 11                               | 7                                |
| 13 weeks .....                   | 15                     | 18  | 15                               | 14                               |
| Over 13 and under 26 weeks ..... | 14                     | 14  | 10                               | 15                               |
| 26 weeks .....                   | 21                     | 17  | 21                               | 24                               |
| Over 26 and under 52 weeks ..... | 3                      | 3   | 4                                | 2                                |
| 52 weeks .....                   | 11                     | 16  | 12                               | 7                                |

<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 4. 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 workers 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.

### Overview

Short-term disability protection through sick leave, sickness and accident insurance, or both, was provided to 89 percent of all employees in the survey in 1989. (See chart 1.) Sick leave usually provides 100 percent of the worker's normal earnings, whereas sickness and accident insurance usually replaces 50 to 67 percent of pay.

Twenty-two percent of the workers had sick leave plans coordinated with sickness and accident insurance. Coordination can take two forms: Starting insurance benefits after sick leave pay has ended, or paying both benefits concurrently. When payments are made from both sources, sick leave pay is reduced by the amount of the insurance benefits so that the total benefit does not exceed full salary.

Regardless of the method of coordination, employers offering sickness and accident insurance tend to allow fewer sick leave days than those without such insurance. At 5 years of service, for example, annual sick leave plans coordinated with insurance granted an average of 13.4 days at full pay. Plans not coordinated with insurance provided 24.5 days. This gap widened as years of service increased.

The Employee Benefits Survey gathers data on the number of days available for short-term disability, which includes both sick leave and sickness and accident insurance.<sup>8</sup> For example, employees with 5 years of service had available an average of 106 days (at full or partial pay) of short-term disability benefits (table 19).

Long-term disability insurance (LTD), which typically pays 50 or 60 percent of earnings, was provided to 45 percent of employees. Twenty-nine percent (some with LTD insurance) were eligible for immediate disability benefits under their pension plans.

LTD insurance payments usually begin after 6 months of disability and continue to retirement age or for a specified

number of months, depending on the worker's age at the time of disability. Career-ending disabilities may entitle an employee to an immediate pension, or the pension may be deferred until other forms of income, such as LTD insurance, have ceased. (Disability provisions of pension plans are discussed in chapter 6.)

Paid sick leave and LTD insurance were more prevalent among white-collar workers, while sickness and accident insurance and immediate disability pension benefits were more prevalent among blue-collar workers.

### Paid sick leave

Of the employees covered by paid sick leave plans, 75 percent were allowed a fixed number of days per year (annual sick leave plans). Another 13 percent of the participants were provided sick leave benefits for each illness (per disability plans). Most of the remainder were covered by both annual and per disability benefits. Four percent received time off as needed (tables 18, 20 to 25).

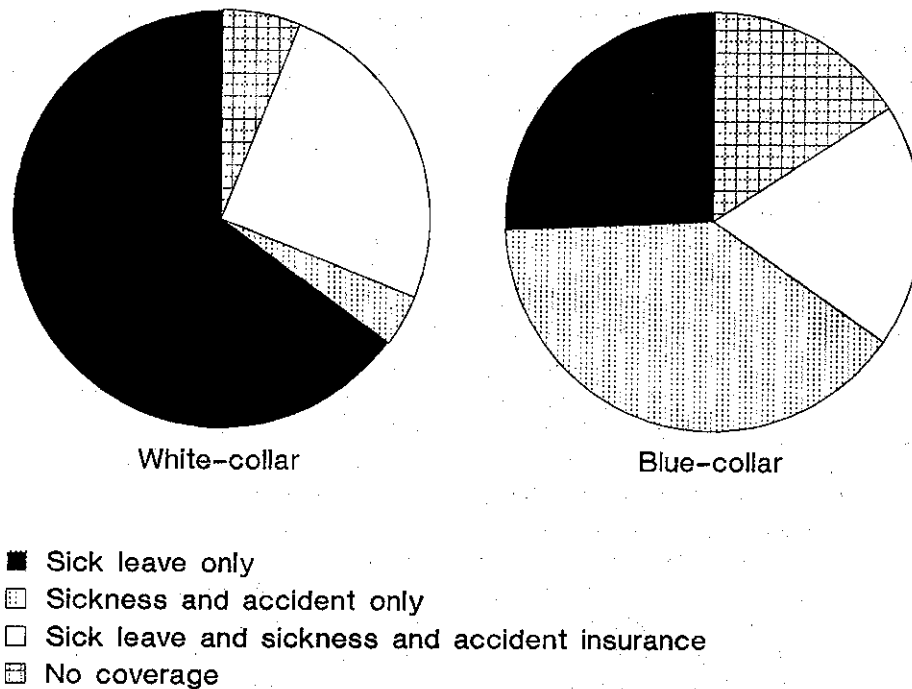
Forty-nine percent of the employees covered by annual sick leave plans were allowed to carry over and accumulate unused sick leave from year to year (cumulative plans). Such plans typically granted fewer days per year than plans in which employees could not carry over unused days. For example, at 20 years of service, cumulative annual plans averaged 13.7 days at full pay, while noncumulative plans averaged 41.2 days. Two-thirds of the employees in cumulative plans had limits on the amount of sick leave that could be carried over to the next year, typically between 30 and 130 days. The remaining workers in cumulative plans were allowed to accumulate an unlimited amount of sick leave. Ten percent of employees in annual sick leave plans could cash in accumulated sick leave at termination of employment or use that leave to enhance retirement benefits.

Per disability sick leave plans generally provided more days of paid leave for an illness than annual plans. For workers with per disability plans, the average number of days at full pay was 43.4 at 1 year of service, 66.1 at 5 years of service, 97.4 at 15 years of service, and 118.9 at 25 years of service. Under annual plans, corresponding averages were 15.4 days at 1 year, 20.5 days at 5 years, 26.6 days at 15 years, and 28.3 at 25 years.

Partial-pay benefits to be paid after full-pay benefits ended were available to 12 percent of sick leave participants with 10 years of service. In some of these plans, the number of days with full-pay benefits increased with se-

<sup>8</sup> For further analysis of combined sick leave and sickness and accident insurance plan provisions, see James N. Houff and William J. Wiatrowski, "Analyzing Short-term Disability Benefits," *Monthly Labor Review*, June 1989, pp. 3-9.

**Chart 1. Short-term disability benefits: Percent of full-time white- and blue-collar employees, medium and large firms, 1989**



niority, and the number of days with partial-pay benefits decreased. It was rare for participants to receive only partial pay benefits, regardless of length of service.

Sick leave plans commonly had a short service requirement, generally 3 months, before new employees became eligible for benefits. About one out of seven of the sick leave participants had to wait 1 to 5 days before receiving benefits, at 1 year of service. These waiting periods were often reduced or eliminated after 10 or 15 years of service.

While sick leave is commonly thought of as replacing lost income while an employee is ill or injured, the survey found that some workers could use their benefits for other reasons. For example, using sick leave to attend a funeral (available to 11 percent of annual and 1 percent of per disability sick leave participants), or to take care of personal business (19 percent annual and 2 percent per disability) were the most common provisions.

#### **Sickness and accident insurance**

Sickness and accident insurance plans protected 43 percent of all employees against income losses due to short-

term disabilities. Four-fifths of the participants had their benefits fully paid by their employer. The remainder most often paid a fixed contribution, usually between \$2 and \$3 a month, or paid a percent of monthly earnings (tables 18, 26 to 28).

Benefit payments under sickness and accident insurance plans were either a percent of employee earnings or a scheduled dollar amount. White-collar participants were more likely to be covered by plans with earnings-based formulas than were blue-collar participants.

Under earnings-based formulas, the percent of earnings was usually fixed—typically 50 to 67 percent—although some plans varied the percentage by length of service or length of disability. Sixty-six percent of participants in earnings-based plans had a dollar limit on the amount of the weekly benefit. Blue-collar workers were the most common recipients of scheduled dollar benefits, which provided either a fixed weekly amount (usually between \$100 and \$180) or varying weekly benefits (usually based on earnings).

Plans that placed a fixed maximum on the number of weeks of coverage, commonly 26 weeks, covered 96 per-

cent of participants. Other common maximums were 13 weeks and 52 weeks. The remaining workers had maximum durations that varied by length of service.

Three-fourths of the employees with sickness and accident insurance were required to be on the job for a specified time before they were covered by the plan. This service requirement was typically 6 months or less.

Sickness and accident insurance, unlike sick leave, usually requires a waiting period before benefits begin, most commonly 1 to 7 days. Waiting periods may be shortened or eliminated entirely for employees involved in an accident or who are hospitalized. Waiting periods may also be dropped when sickness and accident insurance is coordinated with sick leave, and insurance payments start after sick leave pay has ended.

Workers in two States, New Jersey and New York, are covered by mandatory temporary disability insurance plans that are at least partially employer financed. Both of these State plans pay benefits based on a percentage of the worker's earnings for up to 26 weeks with a limit on the weekly benefit (\$170 in New York and \$241 in New Jersey during 1989).<sup>9</sup>

### **Combined sick leave and sickness and accident insurance benefits**

The survey provided data on the combined number of days of sick leave and sickness and accident insurance available. In 1989, employees had available an average of 98 paid days off at 1 year of service, and 115 days off at 30 years. Averages also varied by occupational group; for example, they ranged from 96 days for technical-clerical workers to 122 days for production-service workers, all with 10 years of service (table 19).

Payments, particularly from sickness and accident insurance, may be less than the regular rate of pay. To account for this, "full-pay-equivalent days" were developed. For example, if an employee could receive benefits for 130 workdays at 50 percent of pay, the tabulations would show 130 "days available," but 65 "full-pay-equivalent days" (50 percent of 130 days).

In addition, the "replacement ratio," defined as the percent of an employee's regular pay that is received during available short-term disability days, provides a measurement of the pay replaced over the term of the disability. "Replacement ratios" are computed by dividing the "full-pay-equivalent days" by the "days available." For example, if an employee could receive 100 "days available" and 70 "full-pay-equivalent days," the "replacement ratio" would be 70 percent.

<sup>9</sup> Both States permit an employer to substitute a private plan for the State plan if the benefits provided are at least equivalent. In New York, many employers agree to pay the employee's share of plan costs. California and Rhode Island also have mandated temporary disability insurance plans, but these plans require no employer contribution and, thus, are not included in this survey. Hawaii, which has a temporary disability insurance law requiring private plan coverage, is excluded from the survey.

At 10 years of service, workers had an average of 111 days of short-term disability protection available. But, because many days were paid at partial pay (including some sick leave days at partial pay), workers would be provided the equivalent of 66 days at full pay. Thus, if an employee receiving average benefits was out of work for the entire 111 day period, 60 percent (66 divided by 111) of lost pay would be replaced. The flow of income, however, would not necessarily be constant over the disability period. If the initial days away from work were covered by paid sick leave (at full pay), and the remainder by sickness and accident insurance (at partial pay), the initial replacement rate would be higher than that subsequently received.

### **Long-term disability insurance**

Long-term disability (LTD) insurance provides a monthly benefit to employees who, due to illness or injury, are unable to work for an extended period of time (tables 29-36). Generally, LTD benefit payments begin after 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 percentage of predisability earnings.

Of the full-time employees covered by the survey, 45 percent had LTD coverage; 20 percent 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 "cafeteria plan," with employee contributions varying by the mix of benefits selected. (See chapter 8 for additional information on cafeteria plans.) Another one-third contributed a monthly amount per \$100 of covered earnings, with the most common rate between 20 and 39 cents per \$100 of coverage.<sup>10</sup>

Service requirements found in LTD plans were usually more restrictive than for the other insurance benefits studied. Because of the long-term nature of the LTD benefits, more employers restricted eligibility to employees who had demonstrated some attachment to the company. While 35 percent of the employees covered by LTD plans had no service requirement and another 29 percent had service requirements of 1 to 3 months, 22 percent of the participants had service requirements of 1 year or more. Two percent of the LTD participants were in plans that also required an employee to have reached a certain age to be eligible for the benefit.

The degree of participation varied widely among the employee groups, with white-collar workers more than twice as likely to have LTD insurance as blue-collar workers. However, many employees not covered under LTD insurance are eligible for an immediate disability pension

<sup>10</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).

through their retirement plan; 29 percent of all employees covered by the survey (35 percent of the blue-collar workers) had immediate disability retirement provisions.

Nearly half (48 percent) of the full-time participants had to wait 6 months after the disability occurred before beginning to receive LTD payments. For other participants, LTD benefits commenced after sick leave and sickness and accident insurance benefits ended.

Eighty-six percent of all participants received their LTD benefit as a fixed percent of predisability earnings. The most common benefit percentages were 50 and 60 percent of monthly pay. Most of these plans set a limit on maximum monthly payments. These maximums commonly ranged between \$4,001 and \$10,000; the average was \$5,627.

Slightly over 90 percent of the white-collar participants were in plans that provided a fixed percent of earnings; 71 percent of blue-collar workers were in such plans. Blue-collar participants in plans with other benefit formulas were more likely to be covered by plans paying a scheduled dollar amount that varied by the level of the worker's earnings. In contrast, white-collar workers not covered by a plan paying a fixed percentage of earnings were most likely to be covered by a plan that paid a variable percentage based on the level of earnings.

Eighty-three percent of participants were in LTD plans

that applied a monthly maximum limit, either a dollar maximum in plans that pay a fixed percent of earnings (41 percent), a disability income ceiling (15 percent), or a combination of both methods (28 percent). Disability income ceilings affect benefits only if the amount payable from the LTD plan plus income from other outside sources, such as rehabilitative employment and family Social Security payments, exceeded a specified percentage (most commonly 70 or 75 percent) of predisability earnings.

Survivor benefits, payable to an eligible dependent upon the death of a disabled employee, were available in plans covering 28 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 percentage 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 94 percent of long-term disability plans participants. However, 44 percent 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. For 3 percent of the participants, benefits were provided for a only a set period of time, regardless of institutionalization.

**Table 18. Short-term disability coverage: Percent of full-time employees by participation in sickness and accident insurance plans and paid sick leave plans, medium and large firms, 1989**

| Type of plan   | All employees | Professional and administrative employees | Technical and clerical employees | Production and service employees |
|--|---------------|---|----------------------------------|----------------------------------|
| Total .....  | 100           | 100                                       | 100                              | 100                              |
| With short-term disability coverage ..                         | 89            | 96  | 92                               | 84                               |
| Sickness and accident insurance only .....                     | 21            | 3   | 5                                | 40                               |
| Wholly employer financed .....                                 | 19            | 2   | 4                                | 36                               |
| Paid sick leave only .....                                     | 46            | 67  | 63                               | 26                               |
| Combined sickness and accident insurance/paid sick leave ..... | 22            | 26  | 24                               | 19                               |
| Wholly employer financed .....                                 | 17            | 20  | 19                               | 15                               |
| Without short-term disability coverage .....                   | 11            | 4   | 8                                | 16                               |

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

**Table 19. Short-term disability benefits:<sup>1</sup> Average number of days available and percent of pay covered for full-time participants, medium and large firms, 1989**

| Length of service | All participants |                                       |                                | Professional and administrative participants |                                       |                                | Technical and clerical participants |                                       |                                | Production and service participants |                                       |                                |
|-------------------|------------------|---------------------------------------|--------------------------------|--|---------------------------------------|--------------------------------|-------------------------------------|---------------------------------------|--------------------------------|-------------------------------------|---------------------------------------|--------------------------------|
|                   | Days available   | Full-pay equivalent days <sup>2</sup> | Replacement ratio <sup>3</sup> | Days available                               | Full-pay equivalent days <sup>2</sup> | Replacement ratio <sup>3</sup> | Days available                      | Full-pay equivalent days <sup>2</sup> | Replacement ratio <sup>3</sup> | Days available                      | Full-pay equivalent days <sup>2</sup> | Replacement ratio <sup>3</sup> |
| At 1 year .....   | 98               | 53                                    | 54                             | 92   | 59                                    | 65                             | 79                                  | 47                                    | 60                             | 112                                 | 51                                    | 46                             |
| At 3 years .....  | 103              | 57                                    | 55                             | 96   | 64                                    | 67                             | 83                                  | 52                                    | 62                             | 118                                 | 55                                    | 47                             |
| At 5 years .....  | 106              | 61                                    | 57                             | 102  | 70                                    | 69                             | 89                                  | 57                                    | 64                             | 119                                 | 57                                    | 48                             |
| At 10 years ..... | 111              | 66                                    | 60                             | 107  | 77                                    | 72                             | 96                                  | 65                                    | 68                             | 122                                 | 59                                    | 49                             |
| At 15 years ..... | 112              | 68                                    | 61                             | 109  | 80                                    | 74                             | 97                                  | 68                                    | 70                             | 123                                 | 61                                    | 50                             |
| At 20 years ..... | 114              | 71                                    | 62                             | 110  | 82                                    | 75                             | 98                                  | 70                                    | 72                             | 126                                 | 63                                    | 50                             |
| At 25 years ..... | 115              | 72                                    | 63                             | 111  | 84                                    | 76                             | 99                                  | 72                                    | 73                             | 126                                 | 64                                    | 51                             |
| At 30 years ..... | 115              | 72                                    | 63                             | 111  | 84                                    | 76                             | 99                                  | 72                                    | 73                             | 126                                 | 64                                    | 51                             |

<sup>1</sup> Coverage includes annual and per-disability sick leave, sickness and accident insurance, and any combinations available. Averages are for the first illness of the year, with no benefits carried over from prior years. Benefits may or may not require a waiting period, either initially, or between various payments.

<sup>2</sup> Full-pay equivalent days take into account days available at full and partial pay. For example, an employee receiving 30 days at full pay and 60 days at half pay would have 60 full-pay equivalent days (30 times 1.00 + 60 times .50).

<sup>3</sup> Represents the percent of full pay replaced during the available short-term disability days. An employee with 110 days available and 60 full-pay equivalent days has a replacement ratio of 55 percent.

NOTE: Averages exclude workers covered by plans that do not specify the maximum number of days available, and workers not covered by short-term disability benefit plans.

**Table 20. Paid sick leave: Percent of full-time employees by type of provision, medium and large firms, 1989**

| Provision                                      | All employees    | Professional and administrative employees | Technical and clerical employees | Production and service employees |
|--|------------------|---|----------------------------------|----------------------------------|
| Total .....                                    | 100              | 100                                       | 100                              | 100                              |
| Provided paid sick leave .....                 | 68               | 93  | 87                               | 44                               |
| Sick leave provided on:                        |                  |   |                                  |                                  |
| An annual basis only <sup>1</sup> .....        | 51               | 62  | 64                               | 37                               |
| A per disability basis only <sup>2</sup> ..... | 9                | 16  | 10                               | 5                                |
| Both an annual and per disability basis .....  | 6                | 8   | 10                               | 2                                |
| As needed basis <sup>3</sup> .....             | 3                | 7   | 2                                | ( <sup>4</sup> )                 |
| Other basis <sup>5</sup> .....                 | ( <sup>4</sup> ) | ( <sup>4</sup> )                          | 1                                | ( <sup>4</sup> )                 |
| Not provided paid sick leave .....             | 32               | 7   | 13                               | 56                               |

<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> Plan does not specify maximum number of days.

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

<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, medium and large firms, 1989**

| Sick leave policy <sup>1</sup>                  | All employees    | Professional and administrative employees | Technical and clerical employees | Production and service employees | Sick leave policy <sup>1</sup>       | All employees | Professional and administrative employees | Technical and clerical employees | Production and service employees |
|---|------------------|---|----------------------------------|----------------------------------|--------------------------------------|---------------|---|----------------------------------|----------------------------------|
| Total .....                                     | 100              | 100                                       | 100                              | 100                              |                                      |               |   |                                  |                                  |
| Provided paid sick leave <sup>2</sup> .....     | 68               | 93  | 87                               | 44                               | At 10 years of service—Continued     |               |   |                                  |                                  |
| Sick leave provided annually <sup>2</sup> ..... | 56               | 70  | 74                               | 39                               | 15 and under 30 days .....           | 4             | 7   | 5                                | 2                                |
| At 6 months of service:                         |                  |   |                                  |                                  | 30 and under 60 days .....           | 2             | 3   | 2                                | 2                                |
| Under 5 days .....                              | 14               | 12  | 18                               | 13                               | 60 and under 120 days .....          | 3             | 6   | 4                                | 1                                |
| 5 and under 10 days .....                       | 23               | 31  | 37                               | 11                               | 120 and under 180 days ..            | 4             | 9   | 5                                | 1                                |
| 10 and under 15 days .....                      | 4                | 8   | 6                                | 2                                | 180 days or more .....               | 1             | 1   | ( <sup>3</sup> )                 | ( <sup>3</sup> )                 |
| 15 and under 30 days .....                      | 2                | 5   | 2                                | 1                                | At 15 years of service:              |               |   |                                  |                                  |
| 30 and under 60 days .....                      | ( <sup>3</sup> ) | 1   | ( <sup>3</sup> )                 | ( <sup>3</sup> )                 | Under 5 days .....                   | 2             | 1   | 1                                | 3                                |
| 60 and under 120 days .....                     | 1                | 2   | ( <sup>3</sup> )                 | ( <sup>3</sup> )                 | 5 and under 10 days .....            | 22            | 18  | 27                               | 22                               |
| 120 and under 180 days ..                       | 2                | 4   | 2                                | ( <sup>3</sup> )                 | 10 and under 15 days .....           | 18            | 24  | 29                               | 8                                |
| 180 days or more .....                          | ( <sup>3</sup> ) | ( <sup>3</sup> )                          | ( <sup>3</sup> )                 | -                                | 15 and under 30 days .....           | 4             | 8   | 5                                | 2                                |
| At 1 year of service:                           |                  |   |                                  |                                  | 30 and under 60 days .....           | 2             | 2   | 2                                | 1                                |
| Under 5 days .....                              | 5                | 2   | 3                                | 7                                | 60 and under 120 days ..             | 3             | 7   | 4                                | 1                                |
| 5 and under 10 days .....                       | 22               | 20  | 31                               | 19                               | 120 and under 180 days ..            | 4             | 9   | 5                                | 1                                |
| 10 and under 15 days .....                      | 19               | 28  | 30                               | 9                                | 180 days or more .....               | 1             | 2   | 1                                | ( <sup>3</sup> )                 |
| 15 and under 30 days .....                      | 5                | 10  | 6                                | 2                                | At 20 years of service:              |               |   |                                  |                                  |
| 30 and under 60 days .....                      | 1                | 2   | 1                                | ( <sup>3</sup> )                 | Under 5 days .....                   | 2             | 1   | 1                                | 3                                |
| 60 and under 120 days .....                     | 1                | 2   | 1                                | ( <sup>3</sup> )                 | 5 and under 10 days .....            | 22            | 18  | 27                               | 21                               |
| 120 and under 180 days ..                       | 2                | 4   | 3                                | ( <sup>3</sup> )                 | 10 and under 15 days .....           | 18            | 24  | 29                               | 8                                |
| 180 days or more .....                          | ( <sup>3</sup> ) | ( <sup>3</sup> )                          | ( <sup>3</sup> )                 | ( <sup>3</sup> )                 | 15 and under 30 days .....           | 4             | 8   | 5                                | 2                                |
| At 5 years of service:                          |                  |   |                                  |                                  | 30 and under 60 days .....           | 2             | 2   | 2                                | 1                                |
| Under 5 days .....                              | 2                | 1   | 1                                | 4                                | 60 and under 120 days ..             | 3             | 6   | 4                                | 1                                |
| 5 and under 10 days .....                       | 22               | 18  | 27                               | 21                               | 120 and under 180 days ..            | 4             | 9   | 5                                | 1                                |
| 10 and under 15 days .....                      | 18               | 24  | 29                               | 9                                | 180 days or more .....               | 1             | 2   | 1                                | ( <sup>3</sup> )                 |
| 15 and under 30 days .....                      | 5                | 8   | 6                                | 2                                | At 25 years of service: <sup>5</sup> |               |   |                                  |                                  |
| 30 and under 60 days .....                      | 3                | 6   | 4                                | 2                                | Under 5 days .....                   | 2             | 1   | 1                                | 2                                |
| 60 and under 120 days .....                     | 3                | 6   | 3                                | ( <sup>3</sup> )                 | 5 and under 10 days .....            | 22            | 18  | 27                               | 22                               |
| 120 and under 180 days ..                       | 3                | 5   | 3                                | 1                                | 10 and under 15 days .....           | 18            | 24  | 29                               | 8                                |
| 180 days or more .....                          | ( <sup>3</sup> ) | 1   | ( <sup>3</sup> )                 | ( <sup>3</sup> )                 | 15 and under 30 days .....           | 4             | 8   | 5                                | 2                                |
| At 10 years of service:                         |                  |   |                                  |                                  | 30 and under 60 days .....           | 2             | 2   | 2                                | 1                                |
| Under 5 days .....                              | 2                | 1   | 1                                | 4                                | 60 and under 120 days ..             | 2             | 5   | 3                                | 1                                |
| 5 and under 10 days .....                       | 22               | 18  | 27                               | 21                               | 120 and under 180 days ..            | 5             | 10  | 6                                | 1                                |
| 10 and under 15 days .....                      | 18               | 24  | 29                               | 8                                | 180 days or more .....               | 1             | 2   | 1                                | ( <sup>3</sup> )                 |

See footnotes at end of table.

**Table 21. Paid sick leave: Percent of full-time employees by sick leave provision, medium and large firms, 1989—Continued**

| Sick leave policy <sup>1</sup>                                   | All employees    | Professional and administrative employees | Technical and clerical employees | Production and service employees | Sick leave policy <sup>1</sup>       | All employees    | Professional and administrative employees | Technical and clerical employees | Production and service employees |
|--|------------------|---|----------------------------------|----------------------------------|--------------------------------------|------------------|---|----------------------------------|----------------------------------|
| Sick leave provided on a per disability basis <sup>5</sup> ..... | 15               | 24  | 20                               | 7                                | At 10 years of service—Continued     |                  |   |                                  |                                  |
| At 6 months of service:  |                  |   |                                  |                                  | 120 and under 180 days ..            | 4                | 7   | 4                                | 2                                |
| Under 5 days .....   | ( <sup>1</sup> ) | 1   | 1                                | ( <sup>1</sup> )                 | 180 days or more .....               | ( <sup>1</sup> ) | 1   | ( <sup>1</sup> )                 | ( <sup>1</sup> )                 |
| 5 and under 10 days .....  | 2                | 4   | 3                                | 1                                | At 15 years of service:              |                  |   |                                  |                                  |
| 10 and under 30 days .....                                       | 4                | 8   | 5                                | 1                                | Under 5 days .....                   | ( <sup>1</sup> ) | ( <sup>1</sup> )                          | ( <sup>1</sup> )                 | ( <sup>1</sup> )                 |
| 30 and under 60 days .....                                       | ( <sup>1</sup> ) | 1   | 1                                | ( <sup>1</sup> )                 | 5 and under 10 days .....            | 1                | 1   | 1                                | ( <sup>1</sup> )                 |
| 60 and under 120 days .....                                      | 1                | 3   | 1                                | ( <sup>1</sup> )                 | 10 and under 30 days .....           | 1                | 1   | 1                                | ( <sup>1</sup> )                 |
| 120 and under 180 days ..  | 1                | 3   | 1                                | ( <sup>1</sup> )                 | 30 and under 60 days .....           | 2                | 2   | 4                                | ( <sup>1</sup> )                 |
| 180 days or more .....   | ( <sup>1</sup> ) | ( <sup>1</sup> )                          | ( <sup>1</sup> )                 | -                                | 60 and under 120 days ....           | 4                | 7   | 5                                | 1                                |
| At 1 year of service:  |                  |   |                                  |                                  | 120 and under 180 days ..            | 7                | 11  | 9                                | 3                                |
| Under 5 days .....   | ( <sup>1</sup> ) | ( <sup>1</sup> )                          | ( <sup>1</sup> )                 | 1                                | 180 days or more .....               | ( <sup>1</sup> ) | 1   | ( <sup>1</sup> )                 | ( <sup>1</sup> )                 |
| 5 and under 10 days .....  | 1                | 2   | 2                                | 1                                | At 20 years of service:              |                  |   |                                  |                                  |
| 10 and under 30 days .....                                       | 5                | 9   | 7                                | 2                                | Under 5 days .....                   | ( <sup>1</sup> ) | ( <sup>1</sup> )                          | ( <sup>1</sup> )                 | ( <sup>1</sup> )                 |
| 30 and under 60 days .....                                       | 1                | 3   | 2                                | ( <sup>1</sup> )                 | 5 and under 10 days .....            | 1                | 1   | 1                                | ( <sup>1</sup> )                 |
| 60 and under 120 days ....                                       | 2                | 3   | 1                                | 1                                | 10 and under 30 days .....           | 1                | 1   | 1                                | ( <sup>1</sup> )                 |
| 120 and under 180 days ..  | 2                | 3   | 1                                | 1                                | 30 and under 60 days .....           | 1                | 1   | 3                                | ( <sup>1</sup> )                 |
| 180 days or more .....   | ( <sup>1</sup> ) | ( <sup>1</sup> )                          | ( <sup>1</sup> )                 | -                                | 60 and under 120 days ....           | 4                | 7   | 4                                | 1                                |
| At 5 years of service:   |                  |   |                                  |                                  | 120 and under 180 days ..            | 5                | 10  | 7                                | 2                                |
| Under 5 days .....   | ( <sup>1</sup> ) | ( <sup>1</sup> )                          | ( <sup>1</sup> )                 | ( <sup>1</sup> )                 | 180 days or more .....               | 2                | 3   | 3                                | 2                                |
| 5 and under 10 days .....  | 1                | 1   | 1                                | ( <sup>1</sup> )                 | At 25 years of service: <sup>5</sup> |                  |   |                                  |                                  |
| 10 and under 30 days .....                                       | 2                | 3   | 2                                | 1                                | Under 5 days .....                   | ( <sup>1</sup> ) | ( <sup>1</sup> )                          | ( <sup>1</sup> )                 | ( <sup>1</sup> )                 |
| 30 and under 60 days .....                                       | 3                | 5   | 5                                | ( <sup>1</sup> )                 | 5 and under 10 days .....            | 1                | 1   | 1                                | ( <sup>1</sup> )                 |
| 60 and under 120 days ....                                       | 5                | 9   | 7                                | 3                                | 10 and under 30 days .....           | 1                | 1   | 1                                | ( <sup>1</sup> )                 |
| 120 and under 180 days ..  | 2                | 5   | 2                                | 1                                | 30 and under 60 days .....           | 1                | 1   | 3                                | ( <sup>1</sup> )                 |
| 180 days or more .....   | ( <sup>1</sup> ) | ( <sup>1</sup> )                          | ( <sup>1</sup> )                 | -                                | 60 and under 120 days ....           | 3                | 6   | 4                                | 1                                |
| At 10 years of service:  |                  |   |                                  |                                  | 120 and under 180 days ..            | 6                | 11  | 7                                | 2                                |
| Under 5 days .....   | ( <sup>1</sup> ) | ( <sup>1</sup> )                          | ( <sup>1</sup> )                 | ( <sup>1</sup> )                 | 180 days or more .....               | 2                | 3   | 3                                | 2                                |
| 5 and under 10 days .....  | 1                | 1   | 1                                | ( <sup>1</sup> )                 | As needed basis <sup>7</sup> .....   | .3               | 7   | 2                                | ( <sup>1</sup> )                 |
| 10 and under 30 days .....                                       | 1                | 1   | 1                                | ( <sup>1</sup> )                 | Other basis <sup>8</sup> .....       | ( <sup>1</sup> ) | ( <sup>1</sup> )                          | 1                                | ( <sup>1</sup> )                 |
| 30 and under 60 days .....                                       | 2                | 4   | 5                                | 1                                | Not provided paid sick leave .....   | 32               | 7   | 13                               | 56                               |
| 60 and under 120 days ....                                       | 6                | 9   | 8                                | 3                                |                                      |                  |   |                                  |                                  |

<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.

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

<sup>5</sup> Provisions were virtually the same after longer years of service.

<sup>6</sup> Employees earn a specified number of sick leave days for each illness or disability.

<sup>7</sup> Plan does not specify maximum number of days.

<sup>8</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 sick leave: Average number of days at full pay for full-time participants by type of plan, medium and large firms, 1989**

| Item  | All participants | Professional and administrative participants | Technical and clerical participants | Production and service participants |
|---|------------------|--|-------------------------------------|-------------------------------------|
| <b>Paid annual sick leave<sup>1</sup> by length of service:</b>         |                  |  |                                     |                                     |
| At 6 months .....   | 12.5             | 17.9   | 10.8                                | 7.2                                 |
| At 1 year .....   | 15.4             | 21.8   | 14.5                                | 9.4                                 |
| At 3 years .....  | 17.8             | 25.2   | 16.7                                | 10.9                                |
| At 5 years .....  | 20.5             | 29.3   | 19.2                                | 12.6                                |
| At 10 years .....   | 25.0             | 35.8   | 23.8                                | 14.8                                |
| At 15 years .....   | 26.6             | 38.0   | 25.2                                | 16.1                                |
| At 20 years .....   | 27.8             | 39.6   | 26.2                                | 16.8                                |
| At 25 years .....   | 28.3             | 40.5   | 26.6                                | 17.3                                |
| At 30 years <sup>2</sup> .....  | 28.6             | 40.8   | 26.8                                | 17.4                                |
| <b>Paid per disability sick leave<sup>3</sup> by length of service:</b> |                  |  |                                     |                                     |
| At 6 months .....   | 39.4             | 45.5   | 31.2                                | 33.9                                |
| At 1 year .....   | 43.4             | 50.4   | 34.3                                | 38.3                                |
| At 3 years .....  | 50.2             | 58.0   | 41.7                                | 44.5                                |
| At 5 years .....  | 66.1             | 71.3   | 59.2                                | 64.3                                |
| At 10 years .....   | 82.8             | 89.2   | 76.2                                | 78.9                                |
| At 15 years .....   | 97.4             | 100.3  | 91.4                                | 101.1                               |
| At 20 years .....   | 108.9            | 108.8  | 101.7                               | 121.8                               |
| At 25 years .....   | 118.9            | 115.4  | 111.1                               | 140.9                               |
| At 30 years <sup>2</sup> .....  | 119.3            | 115.8  | 111.4                               | 141.6                               |

<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.

<sup>3</sup> Employees earn a specified number of sick leave days for each illness or disability. This number may vary by length 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 accumulation policy and sickness and accident insurance coordination, medium and large firms, 1989**

| Item  | All participants | Professional and administrative participants | Technical and clerical participants | Production and service participants | Item  | All participants | Professional and administrative participants | Technical and clerical participants | Production and service participants |
|---|------------------|--|-------------------------------------|-------------------------------------|---|------------------|--|-------------------------------------|-------------------------------------|
| <b>At 1 year of service:</b>                  |                  |  |                                     |                                     | <b>At 15 years of service:</b>                |                  |  |                                     |                                     |
| Cumulative plan .....                         | 9.1              | 10.3   | 9.4                                 | 7.5                                 | Cumulative plan .....                         | 13.5             | 15.2   | 13.1                                | 12.2                                |
| With sickness and accident insurance .....    | 8.5              | 9.8  | 9.7                                 | 6.7                                 | With sickness and accident insurance .....    | 12.8             | 15.5   | 13.9                                | 10.1                                |
| Without sickness and accident insurance ..... | 9.4              | 10.4   | 9.3                                 | 8.1                                 | Without sickness and accident insurance ..... | 13.8             | 15.1   | 12.8                                | 13.9                                |
| Noncumulative plan .....                      | 21.4             | 31.3   | 20.9                                | 11.1                                | Noncumulative plan .....                      | 39.2             | 56.5   | 40.5                                | 19.4                                |
| With sickness and accident insurance .....    | 10.0             | 15.9   | 10.5                                | 6.0                                 | With sickness and accident insurance .....    | 20.9             | 37.9   | 22.1                                | 9.3                                 |
| Without sickness and accident insurance ..... | 28.3             | 37.8   | 26.3                                | 16.1                                | Without sickness and accident insurance ..... | 50.3             | 64.3   | 49.8                                | 29.4                                |
| <b>At 5 years of service:</b>                 |                  |  |                                     |                                     | <b>At 20 years of service:</b>                |                  |  |                                     |                                     |
| Cumulative plan .....                         | 11.2             | 12.6   | 11.2                                | 9.7                                 | Cumulative plan .....                         | 13.7             | 15.5   | 13.2                                | 12.5                                |
| With sickness and accident insurance .....    | 10.8             | 12.7   | 12.2                                | 8.5                                 | With sickness and accident insurance .....    | 13.0             | 15.8   | 14.1                                | 10.3                                |
| Without sickness and accident insurance ..... | 11.4             | 12.6   | 10.9                                | 10.7                                | Without sickness and accident insurance ..... | 14.1             | 15.3   | 12.9                                | 14.2                                |
| Noncumulative plan .....                      | 29.5             | 42.9   | 29.2                                | 15.1                                | Noncumulative plan .....                      | 41.2             | 59.3   | 42.5                                | 20.5                                |
| With sickness and accident insurance .....    | 15.5             | 27.1   | 16.8                                | 7.4                                 | With sickness and accident insurance .....    | 22.5             | 40.7   | 23.7                                | 10.1                                |
| Without sickness and accident insurance ..... | 38.0             | 49.6   | 35.6                                | 22.8                                | Without sickness and accident insurance ..... | 52.5             | 67.1   | 52.1                                | 30.9                                |
| <b>At 10 years of service:</b>                |                  |  |                                     |                                     | <b>At 25 years of service:</b>                |                  |  |                                     |                                     |
| Cumulative plan .....                         | 13.2             | 14.9   | 13.0                                | 11.7                                | Cumulative plan .....                         | 13.8             | 15.5   | 13.3                                | 12.6                                |
| With sickness and accident insurance .....    | 12.7             | 15.1   | 14.3                                | 9.7                                 | With sickness and accident insurance .....    | 13.2             | 16.0   | 14.2                                | 10.5                                |
| Without sickness and accident insurance ..... | 13.5             | 14.8   | 12.6                                | 13.3                                | Without sickness and accident insurance ..... | 14.1             | 15.3   | 12.9                                | 14.2                                |
| Noncumulative plan .....                      | 36.2             | 52.8   | 37.3                                | 17.4                                | Noncumulative plan .....                      | 42.2             | 60.8   | 43.4                                | 21.2                                |
| With sickness and accident insurance .....    | 19.3             | 35.1   | 20.5                                | 8.4                                 | With sickness and accident insurance .....    | 23.5             | 42.4   | 24.7                                | 10.8                                |
| Without sickness and accident insurance ..... | 46.5             | 60.3   | 45.8                                | 26.4                                | Without sickness and accident insurance ..... | 53.6             | 68.5   | 52.9                                | 31.6                                |

<sup>1</sup> Paid sick leave plans with a specified number of days available each year. Per disability plans were excluded from this table because (1) only a small percentage of the employees with per disability plans were also covered under a sickness and accident insurance plan and (2) only annual sick leave plans allow the employee to carry over and accumulate unused sick leave from one year to the next year. Instead,

the number of days of paid leave under a per disability plan is renewed for each illness or disability after the employee returns to work for a specified period. Data on per disability plans are presented in table 22.

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> Average number of days at full pay for full-time participants by sickness and accident insurance coordination, medium and large firms, 1989**

| Item  | All participants | Professional and administrative participants | Technical and clerical participants | Production and service participants |
|---|------------------|--|-------------------------------------|-------------------------------------|
| <b>At 1 year of service:</b>                  |                  |  |                                     |                                     |
| With sickness and accident insurance .....    | 9.3              | 13.1   | 10.1                                | 6.3                                 |
| Without sickness and accident insurance ..... | 18.7             | 25.5   | 16.3                                | 12.2                                |
| <b>At 5 years of service:</b>                 |                  |  |                                     |                                     |
| With sickness and accident insurance .....    | 13.4             | 20.6   | 14.5                                | 7.8                                 |
| Without sickness and accident insurance ..... | 24.5             | 33.1   | 21.1                                | 16.9                                |
| <b>At 10 years of service:</b>                |                  |  |                                     |                                     |
| With sickness and accident insurance .....    | 16.3             | 26.0   | 17.4                                | 9.0                                 |
| Without sickness and accident insurance ..... | 29.8             | 40.0   | 26.4                                | 20.0                                |
| <b>At 15 years of service:</b>                |                  |  |                                     |                                     |
| With sickness and accident insurance .....    | 17.2             | 27.7   | 18.0                                | 9.6                                 |
| Without sickness and accident insurance ..... | 31.8             | 42.4   | 28.2                                | 21.8                                |
| <b>At 20 years of service:</b>                |                  |  |                                     |                                     |
| With sickness and accident insurance .....    | 18.2             | 29.4   | 18.9                                | 10.2                                |
| Without sickness and accident insurance ..... | 33.1             | 44.0   | 29.2                                | 22.8                                |
| <b>At 25 years of service:</b>                |                  |  |                                     |                                     |
| With sickness and accident insurance .....    | 18.8             | 30.4   | 19.5                                | 10.7                                |
| Without sickness and accident insurance ..... | 33.6             | 44.7   | 29.6                                | 23.1                                |

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

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

**Table 25. Paid annual sick leave:<sup>1</sup> Percent of full-time participants by unused sick leave policy and carryover provisions, medium and large firms, 1989**

| Unused sick leave policy and carryover provisions | All participants | Professional and administrative participants | Technical and clerical participants | Production and service participants |
|---|------------------|--|-------------------------------------|-------------------------------------|
| <b>Unused sick leave policy</b>                   |                  |  |                                     |                                     |
| Total .....                                       | 100              | 100  | 100                                 | 100                                 |
| Carryover only .....                              | 39               | 39   | 45                                  | 33                                  |
| Cash-in only .....                                | 10               | 4  | 6                                   | 21                                  |
| Carryover and cash-in .....                       | 10               | 6  | 11                                  | 13                                  |
| Unused benefit lost .....                         | 41               | 51   | 38                                  | 33                                  |
| Data not available .....                          | ( <sup>2</sup> ) | ( <sup>2</sup> )                             | ( <sup>2</sup> )                    | ( <sup>2</sup> )                    |
| <b>Carryover provisions</b>                       |                  |  |                                     |                                     |
| Total .....                                       | 100              | 100  | 100                                 | 100                                 |
| Unlimited accumulation .....                      | 31               | 34   | 36                                  | 23                                  |
| <b>Limit on total number of days accumulated</b>  |                  |  |                                     |                                     |
| Under 10 days .....                               | 3                | 2  | 2                                   | 7                                   |
| 10 days .....                                     | 3                | 3  | 2                                   | 4                                   |
| 11 - 19 days .....                                | 3                | 1  | 2                                   | 6                                   |
| 20 days .....                                     | 2                | 1  | 2                                   | 4                                   |
| 21 - 24 days .....                                | 2                | 2  | 1                                   | 2                                   |
| 25 days .....                                     | ( <sup>2</sup> ) | ( <sup>2</sup> )                             | ( <sup>2</sup> )                    | 1                                   |
| 30 days .....                                     | 12               | 7  | 8                                   | 20                                  |
| 31 - 39 days .....                                | 1                | 1  | 1                                   | 1                                   |
| 40 - 49 days .....                                | 6                | 6  | 4                                   | 8                                   |
| 50 days .....                                     | 1                | 1  | 2                                   | ( <sup>2</sup> )                    |
| 51 - 64 days .....                                | 7                | 8  | 8                                   | 7                                   |
| 65 days .....                                     | 2                | 2  | 2                                   | 3                                   |
| 66 - 79 days .....                                | 2                | 2  | 3                                   | 1                                   |
| 80 - 89 days .....                                | 1                | ( <sup>2</sup> )                             | 1                                   | 1                                   |
| 90 - 99 days .....                                | 4                | 5  | 3                                   | 3                                   |
| 100 - 109 days .....                              | 2                | 2  | 2                                   | 1                                   |
| 110 - 119 days .....                              | ( <sup>2</sup> ) | ( <sup>2</sup> )                             | ( <sup>2</sup> )                    | -                                   |
| 120 - 129 days .....                              | 5                | 6  | 6                                   | 2                                   |
| 130 days .....                                    | 5                | 7  | 5                                   | 2                                   |
| Over 130 days .....                               | 6                | 6  | 7                                   | 6                                   |
| Days not available .....                          | ( <sup>2</sup> ) | 1  | ( <sup>2</sup> )                    | ( <sup>2</sup> )                    |
| Other <sup>3</sup> .....                          | 1                | 2  | ( <sup>2</sup> )                    | ( <sup>2</sup> )                    |
| Data not available .....                          | ( <sup>2</sup> ) | ( <sup>2</sup> )                             | 1                                   | ( <sup>2</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 26. Sickness and accident insurance: Percent of full-time participants by type and duration of payments, medium and large firms, 1989**

| Type of payment                                | Total | Maximum weeks of coverage |     |       |     |       |     |         | Varies by service |
|--|-------|---------------------------|-----|-------|-----|-------|-----|---------|-------------------|
|  |       | Less than 13              | 13  | 14-25 | 26  | 27-51 | 52  | Over 52 |                   |
| <b>All participants</b>                        |       |                           |     |       |     |       |     |         |                   |
| All types .....                                | 100   | 1                         | 14  | 3     | 64  | 2     | 10  | 1       | 4                 |
| Fixed percent of earnings .....                | 57    | 1                         | 7   | 2     | 43  | ( )   | 2   | 1       | 1                 |
| Less than 50 .....                             | ( )   | -                         | ( ) | -     | ( ) | -     | -   | -       | -                 |
| 50 .....                                       | 26    | -                         | 2   | 1     | 22  | -     | -   | -       | -                 |
| 60 .....                                       | 13    | ( )                       | 2   | 1     | 8   | ( )   | 1   | ( )     | 1                 |
| 66 .....                                       | 1     | -                         | -   | -     | 1   | -     | -   | ( )     | -                 |
| 67 .....                                       | 12    | ( )                       | 1   | ( )   | 9   | ( )   | 1   | ( )     | ( )               |
| 70 .....                                       | 2     | ( )                       | ( ) | ( )   | 2   | ( )   | ( ) | ( )     | ( )               |
| 75 .....                                       | 1     | -                         | ( ) | ( )   | ( ) | ( )   | ( ) | ( )     | ( )               |
| 80 .....                                       | 1     | -                         | ( ) | ( )   | ( ) | ( )   | ( ) | ( )     | ( )               |
| Other percent .....                            | ( )   | -                         | ( ) | -     | ( ) | ( )   | -   | -       | ( )               |
| Percent of earnings varies .....               | 3     | ( )                       | ( ) | ( )   | 1   | ( )   | 1   | -       | 1                 |
| By service .....                               | 1     | ( )                       | ( ) | ( )   | ( ) | ( )   | 1   | -       | ( )               |
| By length of disability .....                  | 1     | -                         | ( ) | ( )   | ( ) | ( )   | ( ) | -       | ( )               |
| By both service and length of disability ..... | 1     | -                         | -   | ( )   | ( ) | ( )   | -   | -       | ( )               |
| By earnings .....                              | ( )   | -                         | -   | -     | ( ) | ( )   | -   | -       | ( )               |
| Fixed weekly dollar benefit .....              | 26    | ( )                       | 6   | 1     | 17  | 1     | 1   | ( )     | ( )               |
| Less than \$60 .....                           | 4     | -                         | 2   | -     | 2   | -     | -   | -       | -                 |
| \$60-\$79 .....                                | 1     | -                         | ( ) | ( )   | 1   | ( )   | -   | ( )     | -                 |
| \$80-\$99 .....                                | 2     | -                         | ( ) | ( )   | 1   | -     | -   | ( )     | -                 |
| \$100-\$119 .....                              | 4     | ( )                       | 1   | ( )   | 3   | -     | -   | -       | -                 |
| \$120-\$139 .....                              | 2     | -                         | ( ) | ( )   | 2   | -     | -   | -       | -                 |
| \$140-\$159 .....                              | 5     | -                         | 1   | ( )   | 4   | ( )   | ( ) | -       | -                 |
| \$160-\$179 .....                              | 3     | -                         | ( ) | ( )   | 3   | -     | -   | -       | -                 |
| \$180-\$199 .....                              | 2     | -                         | ( ) | ( )   | 1   | ( )   | 1   | -       | -                 |
| \$200-\$219 .....                              | 1     | -                         | ( ) | ( )   | 1   | ( )   | ( ) | -       | -                 |
| \$220 or more .....                            | 2     | -                         | ( ) | ( )   | 1   | ( )   | ( ) | -       | ( )               |
| Weekly dollar benefit varies .....             | 13    | -                         | 1   | -     | 3   | ( )   | 7   | -       | 2                 |
| By earnings .....                              | 12    | -                         | 1   | -     | 2   | ( )   | 7   | -       | 2                 |
| By service or length of disability .....       | 1     | -                         | ( ) | -     | ( ) | ( )   | ( ) | -       | ( )               |
| Data not available .....                       | 1     | -                         | -   | -     | ( ) | -     | -   | ( )     | -                 |
| <b>Professional and administrative</b>         |       |                           |     |       |     |       |     |         |                   |
| All types .....                                | 100   | 2                         | 9   | 4     | 74  | 2     | 6   | 2       | 1                 |
| Fixed percent of earnings .....                | 77    | 2                         | 7   | 3     | 61  | 1     | 1   | 1       | 1                 |
| Less than 50 .....                             | ( )   | -                         | ( ) | -     | ( ) | -     | -   | -       | -                 |
| 50 .....                                       | 37    | -                         | 3   | 1     | 33  | -     | -   | ( )     | ( )               |
| 60 .....                                       | 20    | ( )                       | 3   | 1     | 14  | -     | 1   | ( )     | ( )               |
| 67 .....                                       | 14    | 1                         | 1   | ( )   | 11  | -     | ( ) | ( )     | ( )               |
| 70 .....                                       | 3     | 1                         | ( ) | ( )   | 2   | ( )   | -   | ( )     | ( )               |
| 75 .....                                       | 2     | -                         | ( ) | ( )   | ( ) | 1     | -   | ( )     | ( )               |
| 80 .....                                       | 1     | -                         | -   | 1     | ( ) | -     | -   | ( )     | ( )               |
| Other percent .....                            | ( )   | -                         | -   | -     | ( ) | -     | -   | -       | ( )               |
| Percent of earnings varies .....               | 8     | ( )                       | -   | 1     | 2   | ( )   | 4   | -       | ( )               |
| By service .....                               | 3     | ( )                       | -   | -     | ( ) | ( )   | 2   | -       | ( )               |
| By length of disability .....                  | 2     | -                         | -   | ( )   | 1   | -     | 1   | -       | ( )               |
| By both service and length of disability ..... | 2     | -                         | -   | 1     | 2   | -     | -   | -       | ( )               |
| By earnings .....                              | ( )   | -                         | -   | -     | -   | ( )   | -   | -       | ( )               |
| Fixed weekly dollar benefit .....              | 10    | -                         | 1   | -     | 8   | ( )   | ( ) | ( )     | -                 |
| Less than \$60 .....                           | 3     | -                         | ( ) | -     | 3   | -     | -   | ( )     | -                 |
| \$60-\$79 .....                                | ( )   | -                         | -   | -     | ( ) | -     | -   | ( )     | -                 |
| \$80-\$99 .....                                | 1     | -                         | ( ) | -     | ( ) | -     | -   | ( )     | -                 |
| \$100-\$119 .....                              | 1     | -                         | -   | -     | 1   | -     | -   | ( )     | -                 |
| \$120-\$139 .....                              | ( )   | -                         | -   | -     | ( ) | -     | -   | ( )     | -                 |

See footnotes at end of table.

**Table 26. Sickness and accident insurance: Percent of full-time participants by type and duration of payments, medium and large firms, 1989—Continued**

| Type of payment                                  | Total | Maximum weeks of coverage |     |       |     |       |     |         | Varies by service |
|--|-------|---------------------------|-----|-------|-----|-------|-----|---------|-------------------|
|  |       | Less than 13              | 13  | 14-25 | 26  | 27-51 | 52  | Over 52 |                   |
| <b>Professional and administrative—Continued</b> |       |                           |     |       |     |       |     |         |                   |
| \$140-\$159 .....                                | 3     | -                         | ( ) | -     | 2   | ( )   | -   | -       | -                 |
| \$160-\$179 .....                                | ( )   | -                         | -   | -     | ( ) | -     | -   | -       | -                 |
| \$180-\$199 .....                                | 1     | -                         | -   | -     | ( ) | -     | ( ) | -       | -                 |
| \$200-\$219 .....                                | ( )   | -                         | ( ) | -     | ( ) | -     | -   | -       | -                 |
| \$220 or more .....                              | ( )   | -                         | ( ) | -     | ( ) | -     | -   | -       | -                 |
| Weekly dollar benefit varies .....               | 3     | -                         | 1   | -     | 1   | ( )   | 1   | -       | ( )               |
| By earnings .....                                | 3     | -                         | 1   | -     | 1   | ( )   | 1   | -       | ( )               |
| By service or length of disability .....         | ( )   | -                         | -   | -     | -   | -     | -   | -       | ( )               |
| Data not available .....                         | 2     | -                         | -   | -     | 1   | -     | -   | 1       | -                 |
| <b>Technical and clerical</b>                    |       |                           |     |       |     |       |     |         |                   |
| All types .....                                  | 100   | 2                         | 11  | 4     | 71  | 3     | 5   | 2       | 3                 |
| Fixed percent of earnings .....                  | 78    | 1                         | 9   | 4     | 59  | 1     | 1   | 1       | 2                 |
| Less than 50 .....                               | ( )   | -                         | -   | -     | ( ) | -     | -   | -       | -                 |
| 50 .....   | 33    | -                         | 3   | 1     | 29  | -     | -   | ( )     | ( )               |
| 60 .....   | 19    | 1                         | 4   | 1     | 11  | ( )   | 1   | ( )     | 1                 |
| 66 .....   | 1     | -                         | -   | -     | 1   | -     | ( ) | -       | -                 |
| 67 .....   | 17    | ( )                       | 1   | ( )   | 14  | ( )   | 1   | ( )     | ( )               |
| 70 .....   | 2     | 1                         | ( ) | ( )   | 1   | ( )   | -   | ( )     | ( )               |
| 75 .....   | 4     | -                         | 2   | 1     | 1   | 1     | -   | ( )     | ( )               |
| 80 .....   | 1     | -                         | -   | ( )   | 1   | -     | -   | -       | ( )               |
| Other percent .....                              | ( )   | -                         | ( ) | -     | ( ) | ( )   | -   | -       | ( )               |
| Percent of earnings varies .....                 | 6     | ( )                       | ( ) | ( )   | 2   | 1     | 2   | -       | 1                 |
| By service .....                                 | 3     | ( )                       | -   | -     | 1   | ( )   | 2   | -       | ( )               |
| By length of disability .....                    | 2     | -                         | ( ) | ( )   | ( ) | -     | ( ) | -       | ( )               |
| By both service and length of disability .....   | 1     | -                         | -   | -     | 1   | -     | -   | -       | ( )               |
| By earnings .....                                | 1     | -                         | -   | -     | ( ) | 1     | -   | -       | ( )               |
| Fixed weekly dollar benefit .....                | 10    | -                         | 1   | ( )   | 8   | ( )   | ( ) | ( )     | ( )               |
| Less than \$60 .....                             | 3     | -                         | ( ) | ( )   | 3   | -     | -   | ( )     | ( )               |
| \$60-\$79 .....                                  | ( )   | -                         | ( ) | ( )   | ( ) | -     | -   | ( )     | ( )               |
| \$80-\$99 .....                                  | 1     | -                         | ( ) | ( )   | ( ) | -     | -   | ( )     | ( )               |
| \$100-\$119 .....                                | 2     | -                         | ( ) | ( )   | 2   | -     | -   | ( )     | ( )               |
| \$120-\$139 .....                                | ( )   | -                         | ( ) | ( )   | ( ) | -     | -   | ( )     | ( )               |
| \$140-\$159 .....                                | 2     | -                         | ( ) | ( )   | 2   | -     | -   | ( )     | ( )               |
| \$160-\$179 .....                                | ( )   | -                         | ( ) | ( )   | ( ) | -     | -   | ( )     | ( )               |
| \$180-\$199 .....                                | 1     | -                         | ( ) | ( )   | ( ) | -     | -   | ( )     | ( )               |
| \$200-\$219 .....                                | ( )   | -                         | ( ) | ( )   | ( ) | -     | -   | ( )     | ( )               |
| \$220 or more .....                              | 1     | -                         | ( ) | ( )   | ( ) | -     | -   | ( )     | ( )               |
| Weekly dollar benefit varies .....               | 4     | -                         | 1   | -     | 1   | 1     | 1   | -       | ( )               |
| By earnings .....                                | 4     | -                         | 1   | -     | 1   | 1     | 1   | -       | ( )               |
| By service or length of disability .....         | ( )   | -                         | ( ) | -     | ( ) | -     | -   | -       | ( )               |
| Data not available .....                         | 2     | -                         | -   | -     | 1   | -     | -   | ( )     | -                 |
| <b>Production and service</b>                    |       |                           |     |       |     |       |     |         |                   |
| All types .....                                  | 100   | 1                         | 16  | 3     | 60  | 2     | 13  | 1       | 6                 |
| Fixed percent of earnings .....                  | 45    | ( )                       | 6   | 1     | 34  | ( )   | 2   | 1       | 1                 |
| Less than 50 .....                               | ( )   | -                         | ( ) | -     | ( ) | -     | -   | ( )     | ( )               |
| 50 .....   | 21    | -                         | 2   | 1     | 17  | -     | -   | ( )     | ( )               |
| 60 .....   | 10    | ( )                       | 2   | ( )   | 6   | ( )   | 1   | ( )     | 1                 |
| 66 .....   | 1     | -                         | -   | -     | 1   | -     | ( ) | -       | -                 |
| 67 .....   | 10    | -                         | 1   | ( )   | 8   | -     | 1   | ( )     | ( )               |
| 70 .....   | 2     | ( )                       | ( ) | ( )   | 2   | ( )   | ( ) | ( )     | ( )               |
| 75 .....   | 1     | -                         | ( ) | ( )   | ( ) | -     | -   | ( )     | ( )               |
| 80 .....   | 1     | -                         | ( ) | ( )   | ( ) | -     | -   | ( )     | ( )               |

See footnotes at end of table.

**Table 26. Sickness and accident insurance: Percent of full-time participants by type and duration of payments, medium and large firms, 1989—Continued**

| Type of payment                                | Total            | Maximum weeks of coverage |                  |                  |                  |                  |                  |         | Varies by service |
|--|------------------|---------------------------|------------------|------------------|------------------|------------------|------------------|---------|-------------------|
|  |                  | Less than 13              | 13               | 14-25            | 26               | 27-51            | 52               | Over 52 |                   |
| <b>Production and service—Continued</b>        |                  |                           |                  |                  |                  |                  |                  |         |                   |
| Other percent .....                            | ( <sup>1</sup> ) | -                         | ( <sup>1</sup> ) | -                | ( <sup>1</sup> ) | ( <sup>1</sup> ) | -                | -       | -                 |
| Percent of earnings varies .....               | 2                | -                         | ( <sup>1</sup> ) | ( <sup>1</sup> ) | ( <sup>1</sup> ) | ( <sup>1</sup> ) | -                | -       | 1                 |
| By service .....                               | ( <sup>1</sup> ) | -                         | -                | -                | ( <sup>1</sup> ) | ( <sup>1</sup> ) | -                | -       | ( <sup>1</sup> )  |
| By length of disability .....                  | 1                | -                         | ( <sup>1</sup> ) | ( <sup>1</sup> ) | ( <sup>1</sup> ) | -                | -                | -       | 1                 |
| By both service and length of disability ..... | ( <sup>1</sup> ) | -                         | -                | -                | ( <sup>1</sup> ) | -                | -                | -       | ( <sup>1</sup> )  |
| By earnings .....                              | ( <sup>1</sup> ) | -                         | -                | -                | ( <sup>1</sup> ) | ( <sup>1</sup> ) | -                | -       | -                 |
| Fixed weekly dollar benefit .....              | 35               | 1                         | 8                | 1                | 22               | 2                | 2                | -       | ( <sup>1</sup> )  |
| Less than \$60 .....                           | 4                | -                         | 2                | ( <sup>1</sup> ) | 1                | ( <sup>1</sup> ) | -                | -       | -                 |
| \$60-\$79 .....                                | 1                | -                         | 1                | ( <sup>1</sup> ) | 1                | -                | -                | -       | -                 |
| \$80-\$99 .....                                | 3                | -                         | 1                | ( <sup>1</sup> ) | 2                | -                | -                | -       | -                 |
| \$100-\$119 .....                              | 6                | 1                         | 2                | ( <sup>1</sup> ) | 3                | -                | -                | -       | -                 |
| \$120-\$139 .....                              | 3                | -                         | 1                | -                | 3                | -                | ( <sup>1</sup> ) | -       | -                 |
| \$140-\$159 .....                              | 6                | -                         | 2                | ( <sup>1</sup> ) | 4                | ( <sup>1</sup> ) | ( <sup>1</sup> ) | -       | -                 |
| \$160-\$179 .....                              | 5                | -                         | ( <sup>1</sup> ) | -                | 4                | ( <sup>1</sup> ) | -                | -       | -                 |
| \$180-\$199 .....                              | 3                | -                         | -                | ( <sup>1</sup> ) | 2                | -                | 1                | -       | -                 |
| \$200-\$219 .....                              | 2                | -                         | ( <sup>1</sup> ) | -                | 1                | ( <sup>1</sup> ) | ( <sup>1</sup> ) | -       | -                 |
| \$220 or more .....                            | 2                | -                         | ( <sup>1</sup> ) | ( <sup>1</sup> ) | 1                | ( <sup>1</sup> ) | ( <sup>1</sup> ) | -       | ( <sup>1</sup> )  |
| Weekly dollar benefit varies .....             | 18               | -                         | 1                | -                | 4                | ( <sup>1</sup> ) | 10               | -       | 3                 |
| By earnings .....                              | 16               | -                         | 1                | -                | 3                | ( <sup>1</sup> ) | 10               | -       | 3                 |
| By service or length of disability ..          | 2                | -                         | 1                | -                | 1                | -                | ( <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 27. Sickness and accident insurance: Percent of full-time participants with benefits based on percent of earnings formula by maximum weekly benefit, medium and large firms, 1989**

| 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   | \$350 to \$399   | \$400 or more    |                  |
| <b>All participants</b>                |                  |                        |                  |                  |                  |                  |                  |                  |                  |                  |                  |                  |                  |
| Total .....                            | 100              | 66                     | 1                | 2                | ( <sup>1</sup> ) | 28               | 2                | 12               | 5                | 3                | 2                | 11               | 34               |
| Fixed percent of earnings .....        | 94               | 64                     | 1                | 2                | ( <sup>1</sup> ) | 28               | 2                | 12               | 5                | 3                | 2                | 10               | 30               |
| Less than 50 .....                     | 1                | ( <sup>1</sup> )       | ( <sup>1</sup> ) | -                | -                | -                | -                | -                | -                | -                | -                | -                | ( <sup>1</sup> ) |
| 50 .....                               | 43               | 34                     | -                | 1                | -                | 26               | 1                | 2                | 1                | 1                | ( <sup>1</sup> ) | 3                | 9                |
| 60 .....                               | 22               | 13                     | -                | ( <sup>1</sup> ) | ( <sup>1</sup> ) | 1                | ( <sup>1</sup> ) | 1                | 4                | 1                | 1                | 5                | 8                |
| 66 .....                               | 1                | 1                      | -                | -                | -                | ( <sup>1</sup> ) | -                | ( <sup>1</sup> ) | ( <sup>1</sup> ) | -                | -                | -                | ( <sup>1</sup> ) |
| 67 .....                               | 20               | 13                     | ( <sup>1</sup> ) | 1                | -                | ( <sup>1</sup> ) | 1                | 8                | 1                | 1                | ( <sup>1</sup> ) | 1                | 7                |
| 70 .....                               | 4                | 2                      | ( <sup>1</sup> ) | -                | ( <sup>1</sup> ) | 1                | ( <sup>1</sup> ) | ( <sup>1</sup> ) | ( <sup>1</sup> ) | -                | ( <sup>1</sup> ) | ( <sup>1</sup> ) | 2                |
| 75 .....                               | 2                | 1                      | ( <sup>1</sup> ) | -                | -                | -                | -                | ( <sup>1</sup> ) | -                | ( <sup>1</sup> ) | -                | 1                | 2                |
| 80 .....                               | 1                | ( <sup>1</sup> )       | -                | -                | ( <sup>1</sup> ) | -                | -                | -                | ( <sup>1</sup> ) | -                | -                | -                | 1                |
| Other percent .....                    | ( <sup>1</sup> ) | ( <sup>1</sup> )       | ( <sup>1</sup> ) | -                | -                | -                | -                | ( <sup>1</sup> ) | -                | ( <sup>1</sup> ) | -                | ( <sup>1</sup> ) | ( <sup>1</sup> ) |
| Percent of earnings varies .....       | 6                | 1                      | -                | -                | -                | -                | -                | ( <sup>1</sup> ) | -                | -                | ( <sup>1</sup> ) | 1                | 4                |
| <b>Professional and administrative</b> |                  |                        |                  |                  |                  |                  |                  |                  |                  |                  |                  |                  |                  |
| Total .....                            | 100              | 66                     | 1                | 2                | ( <sup>1</sup> ) | 31               | ( <sup>1</sup> ) | 12               | 7                | 3                | 1                | 9                | 34               |
| Fixed percent of earnings .....        | 91               | 65                     | 1                | 2                | ( <sup>1</sup> ) | 31               | ( <sup>1</sup> ) | 12               | 7                | 3                | 1                | 8                | 25               |
| Less than 50 .....                     | ( <sup>1</sup> ) | ( <sup>1</sup> )       | ( <sup>1</sup> ) | -                | -                | -                | -                | -                | -                | -                | -                | -                | ( <sup>1</sup> ) |
| 50 .....                               | 43               | 36                     | -                | -                | -                | 31               | -                | 2                | ( <sup>1</sup> ) | ( <sup>1</sup> ) | -                | 2                | 7                |
| 60 .....                               | 23               | 15                     | -                | ( <sup>1</sup> ) | ( <sup>1</sup> ) | ( <sup>1</sup> ) | -                | ( <sup>1</sup> ) | 6                | 3                | 1                | 4                | 8                |
| 67 .....                               | 17               | 13                     | ( <sup>1</sup> ) | 1                | -                | ( <sup>1</sup> ) | ( <sup>1</sup> ) | 9                | 1                | 1                | ( <sup>1</sup> ) | 1                | 4                |
| 70 .....                               | 4                | 1                      | -                | -                | -                | ( <sup>1</sup> ) | -                | -                | -                | -                | -                | 1                | 3                |
| 75 .....                               | 2                | ( <sup>1</sup> )       | ( <sup>1</sup> ) | -                | -                | -                | -                | ( <sup>1</sup> ) | -                | ( <sup>1</sup> ) | -                | -                | 2                |
| 80 .....                               | 1                | ( <sup>1</sup> )       | -                | -                | -                | -                | -                | -                | -                | -                | -                | -                | 1                |
| Other percent .....                    | ( <sup>1</sup> ) | ( <sup>1</sup> )       | -                | -                | -                | -                | -                | ( <sup>1</sup> ) | -                | -                | -                | -                | -                |
| Percent of earnings varies .....       | 9                | 1                      | -                | -                | -                | -                | -                | ( <sup>1</sup> ) | -                | -                | -                | 1                | 8                |
| <b>Technical and clerical</b>          |                  |                        |                  |                  |                  |                  |                  |                  |                  |                  |                  |                  |                  |
| Total .....                            | 100              | 68                     | ( <sup>1</sup> ) | 1                | ( <sup>1</sup> ) | 26               | ( <sup>1</sup> ) | 14               | 5                | 4                | 2                | 17               | 32               |
| Fixed percent of earnings .....        | 93               | 66                     | ( <sup>1</sup> ) | 1                | ( <sup>1</sup> ) | 26               | ( <sup>1</sup> ) | 14               | 5                | 4                | 1                | 15               | 27               |
| Less than 50 .....                     | ( <sup>1</sup> ) | -                      | -                | -                | -                | -                | -                | -                | -                | -                | -                | -                | ( <sup>1</sup> ) |
| 50 .....                               | 39               | 30                     | -                | ( <sup>1</sup> ) | -                | 25               | -                | 2                | ( <sup>1</sup> ) | ( <sup>1</sup> ) | ( <sup>1</sup> ) | 2                | 9                |
| 60 .....                               | 22               | 16                     | -                | ( <sup>1</sup> ) | ( <sup>1</sup> ) | 1                | -                | 1                | 3                | 1                | 1                | 9                | 6                |
| 66 .....                               | 1                | ( <sup>1</sup> )       | -                | -                | -                | -                | -                | ( <sup>1</sup> ) | ( <sup>1</sup> ) | -                | -                | -                | 1                |
| 67 .....                               | 21               | 17                     | ( <sup>1</sup> ) | ( <sup>1</sup> ) | -                | -                | ( <sup>1</sup> ) | 11               | 1                | 3                | ( <sup>1</sup> ) | 1                | 4                |
| 70 .....                               | 3                | 1                      | -                | -                | ( <sup>1</sup> ) | ( <sup>1</sup> ) | -                | -                | ( <sup>1</sup> ) | -                | -                | 1                | 2                |
| 75 .....                               | 5                | 2                      | -                | -                | -                | -                | -                | ( <sup>1</sup> ) | -                | -                | -                | 2                | 3                |
| 80 .....                               | 1                | ( <sup>1</sup> )       | -                | -                | ( <sup>1</sup> ) | -                | -                | -                | ( <sup>1</sup> ) | -                | -                | -                | 1                |
| Other percent .....                    | ( <sup>1</sup> ) | ( <sup>1</sup> )       | ( <sup>1</sup> ) | -                | -                | -                | -                | ( <sup>1</sup> ) | -                | ( <sup>1</sup> ) | -                | -                | ( <sup>1</sup> ) |
| Percent of earnings varies .....       | 7                | 2                      | -                | -                | -                | -                | -                | ( <sup>1</sup> ) | -                | -                | 1                | 2                | 5                |
| <b>Production and service</b>          |                  |                        |                  |                  |                  |                  |                  |                  |                  |                  |                  |                  |                  |
| Total .....                            | 100              | 64                     | 1                | 3                | ( <sup>1</sup> ) | 26               | 4                | 11               | 5                | 2                | 3                | 9                | 36               |
| Fixed percent of earnings .....        | 97               | 63                     | 1                | 3                | ( <sup>1</sup> ) | 26               | 4                | 11               | 5                | 2                | 3                | 8                | 34               |
| Less than 50 .....                     | 1                | ( <sup>1</sup> )       | ( <sup>1</sup> ) | -                | -                | -                | -                | -                | -                | -                | -                | -                | 1                |
| 50 .....                               | 44               | 34                     | -                | 2                | -                | 23               | 2                | 2                | 1                | 1                | ( <sup>1</sup> ) | 3                | 10               |
| 60 .....                               | 21               | 11                     | -                | ( <sup>1</sup> ) | ( <sup>1</sup> ) | 1                | ( <sup>1</sup> ) | 2                | 3                | 1                | 2                | 3                | 9                |
| 66 .....                               | 2                | 2                      | -                | -                | -                | ( <sup>1</sup> ) | -                | 1                | 1                | -                | -                | -                | -                |
| 67 .....                               | 21               | 12                     | ( <sup>1</sup> ) | 1                | -                | 1                | 1                | 6                | 1                | -                | 1                | 1                | 9                |
| 70 .....                               | 5                | 3                      | 1                | -                | ( <sup>1</sup> ) | 1                | 1                | ( <sup>1</sup> ) | ( <sup>1</sup> ) | -                | ( <sup>1</sup> ) | ( <sup>1</sup> ) | 2                |
| 75 .....                               | 1                | ( <sup>1</sup> )       | -                | -                | -                | -                | -                | ( <sup>1</sup> ) | -                | -                | -                | ( <sup>1</sup> ) | 1                |
| 80 .....                               | 1                | -                      | -                | -                | -                | -                | -                | -                | -                | -                | -                | -                | 1                |
| Other percent .....                    | 1                | 1                      | -                | -                | -                | -                | -                | ( <sup>1</sup> ) | -                | ( <sup>1</sup> ) | -                | ( <sup>1</sup> ) | -                |
| Percent of earnings varies .....       | 3                | 1                      | -                | -                | -                | -                | -                | ( <sup>1</sup> ) | -                | -                | ( <sup>1</sup> ) | 1                | 2                |

<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 28. Sickness and accident insurance: Percent of full-time participants by length-of-service requirements for participation,<sup>1</sup> medium and large firms, 1989**

| Length-of-service requirement              | All participants | Professional and administrative participants | Technical and clerical participants | Production and service participants |
|--|------------------|--|-------------------------------------|-------------------------------------|
| Total .....                                | 100              | 100  | 100                                 | 100                                 |
| With service requirement .....             | 75               | 68   | 72                                  | 77                                  |
| 1 month .....                              | 23               | 31   | 27                                  | 19                                  |
| 2 months .....                             | 12               | 5  | 7                                   | 15                                  |
| 3 months .....                             | 23               | 18   | 19                                  | 26                                  |
| 4-5 months .....                           | 8                | 6  | 8                                   | 8                                   |
| 6 months .....                             | 5                | 4  | 7                                   | 5                                   |
| 7-11 months .....                          | ( <sup>2</sup> ) | -  | ( <sup>2</sup> )                    | ( <sup>2</sup> )                    |
| 1 year .....                               | 3                | 2  | 2                                   | 3                                   |
| Over 1 year .....                          | 1                | 2  | ( <sup>2</sup> )                    | ( <sup>2</sup> )                    |
| Without service requirement .....          | 24               | 30   | 27                                  | 21                                  |
| Service requirement not determinable ..... | 1                | 2  | 1                                   | 1                                   |

<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 29. Long-term disability insurance: Percent of full-time participants by method of determining payment, medium and large firms, 1989**

| 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              | 83                    | 41                             | 15  | 28                                 | 17                       |
| Fixed percent of earnings .....                  | 86               | 75                    | 37                             | 12  | 26                                 | 11                       |
| Less than 50 percent .....                       | 1                | 1                     | 1                              | ( <sup>3</sup> )                            | ( <sup>3</sup> )                   | ( <sup>3</sup> )         |
| 50 percent .....                                 | 20               | 18                    | 5                              | 7   | 6                                  | 2                        |
| 60 percent .....                                 | 46               | 40                    | 21                             | 4   | 15                                 | 6                        |
| 65 or 67 percent .....                           | 13               | 12                    | 9                              | 1   | 3                                  | 1                        |
| 70 percent or more .....                         | 4                | 3                     | 1                              | ( <sup>3</sup> )                            | 2                                  | 1                        |
| Other percent .....                              | 1                | 1                     | ( <sup>3</sup> )               | -   | 1                                  | ( <sup>3</sup> )         |
| Percent varies by earnings .....                 | 5                | 3                     | 1                              | ( <sup>3</sup> )                            | 1                                  | 1                        |
| Percent varies by service .....                  | 3                | 2                     | 2                              | ( <sup>3</sup> )                            | ( <sup>3</sup> )                   | ( <sup>3</sup> )         |
| Scheduled dollar amount varies by earnings ..... | 5                | ( <sup>3</sup> )      | ( <sup>3</sup> )               | -   | -                                  | 4                        |
| Other <sup>4</sup> .....                         | 3                | 3                     | ( <sup>3</sup> )               | 2   | ( <sup>3</sup> )                   | -                        |
| <b>Professional and administrative</b>           |                  |                       |                                |   |                                    |                          |
| All methods .....                                | 100              | 86                    | 45                             | 12  | 29                                 | 14                       |
| Fixed percent of earnings .....                  | 90               | 78                    | 42                             | 9   | 28                                 | 12                       |
| Less than 50 percent .....                       | 1                | 1                     | ( <sup>3</sup> )               | ( <sup>3</sup> )                            | ( <sup>3</sup> )                   | ( <sup>3</sup> )         |
| 50 percent .....                                 | 17               | 13                    | 5                              | 3   | 5                                  | 4                        |
| 60 percent .....                                 | 51               | 45                    | 24                             | 4   | 17                                 | 6                        |
| 65 or 67 percent .....                           | 15               | 14                    | 11                             | 1   | 3                                  | 1                        |
| 70 percent or more .....                         | 4                | 4                     | 1                              | ( <sup>3</sup> )                            | 2                                  | 1                        |
| Other percent .....                              | 1                | 1                     | ( <sup>3</sup> )               | -   | 1                                  | ( <sup>3</sup> )         |
| Percent varies by earnings .....                 | 5                | 4                     | 2                              | ( <sup>3</sup> )                            | 1                                  | 2                        |
| Percent varies by service .....                  | 2                | 2                     | 1                              | 1   | ( <sup>3</sup> )                   | ( <sup>3</sup> )         |
| Scheduled dollar amount varies by earnings ..... | ( <sup>3</sup> ) | ( <sup>3</sup> )      | ( <sup>3</sup> )               | -   | -                                  | ( <sup>3</sup> )         |
| Other <sup>4</sup> .....                         | 3                | 3                     | ( <sup>3</sup> )               | 3   | -                                  | -                        |
| <b>Technical and clerical</b>                    |                  |                       |                                |   |                                    |                          |
| All methods .....                                | 100              | 88                    | 40                             | 17  | 31                                 | 12                       |
| Fixed percent of earnings .....                  | 93               | 83                    | 37                             | 15  | 31                                 | 10                       |
| Less than 50 percent .....                       | 1                | 1                     | 1                              | ( <sup>3</sup> )                            | ( <sup>3</sup> )                   | ( <sup>3</sup> )         |
| 50 percent .....                                 | 23               | 21                    | 5                              | 9   | 8                                  | 1                        |
| 60 percent .....                                 | 48               | 42                    | 20                             | 5   | 17                                 | 7                        |
| 65 or 67 percent .....                           | 15               | 14                    | 11                             | 1   | 2                                  | 1                        |
| 70 percent or more .....                         | 5                | 4                     | 1                              | ( <sup>3</sup> )                            | 3                                  | 1                        |
| Other percent .....                              | 1                | 1                     | ( <sup>3</sup> )               | -   | 1                                  | ( <sup>3</sup> )         |
| Percent varies by earnings .....                 | 3                | 2                     | 1                              | ( <sup>3</sup> )                            | 1                                  | 1                        |
| Percent varies by service .....                  | 1                | 1                     | 1                              | ( <sup>3</sup> )                            | ( <sup>3</sup> )                   | ( <sup>3</sup> )         |
| Scheduled dollar amount varies by earnings ..... | 1                | 1                     | 1                              | -   | -                                  | ( <sup>3</sup> )         |
| Other <sup>4</sup> .....                         | 2                | 2                     | ( <sup>3</sup> )               | 1   | -                                  | -                        |

See footnotes at end of table.

**Table 29. Long-term disability insurance: Percent of full-time participants by method of determining payment, medium and large firms, 1989—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>Production and service</b>                    |                  |                       |                                |   |                                    |                          |
| All methods .....                                | 100              | 74                    | 36                             | 16  | 22                                 | 26                       |
| Fixed percent of earnings .....                  | 71               | 62                    | 30                             | 14  | 19                                 | 9                        |
| Less than 50 percent .....                       | 2                | 1                     | 1                              | ( <sup>3</sup> )                            | -                                  | ( <sup>3</sup> )         |
| 50 percent .....                                 | 23               | 21                    | 5                              | 10  | 6                                  | 2                        |
| 60 percent .....                                 | 37               | 31                    | 18                             | 3   | 10                                 | 6                        |
| 65 or 67 percent .....                           | 8                | 8                     | 5                              | ( <sup>3</sup> )                            | 3                                  | ( <sup>3</sup> )         |
| 70 percent or more .....                         | 1                | ( <sup>3</sup> )      | ( <sup>3</sup> )               | ( <sup>3</sup> )                            | ( <sup>3</sup> )                   | 1                        |
| Other percent .....                              | ( <sup>3</sup> ) | ( <sup>3</sup> )      | ( <sup>3</sup> )               | -   | ( <sup>3</sup> )                   | ( <sup>3</sup> )         |
| Percent varies by earnings .....                 | 6                | 4                     | 1                              | 1   | 2                                  | 2                        |
| Percent varies by service .....                  | 5                | 5                     | 5                              | ( <sup>3</sup> )                            | ( <sup>3</sup> )                   | ( <sup>3</sup> )         |
| Scheduled dollar amount varies by earnings ..... | 15               | ( <sup>3</sup> )      | ( <sup>3</sup> )               | -   | -                                  | 15                       |
| Other <sup>4</sup> .....                         | 3                | 3                     | 1                              | 1   | 1                                  | -                        |

<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 30. Long-term disability insurance: Percent of full-time participants with benefits based on percent of earnings formula by maximum monthly benefit, medium and large firms, 1989**

| Type of payment                        | Total | Total with maximum <sup>1</sup> | Maximum monthly benefit |                  |                  |                  |                  |                  |                  |                  |                            | No maximum payment |
|--|-------|---------------------------------|-------------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|----------------------------|--------------------|
|  |       |                                 | \$1500 or less          | \$1501-\$2000    | \$2001-\$3000    | \$3001-\$4000    | \$4001-\$5000    | \$5001-\$7500    | \$7501-\$10,000  | \$10,001 or more | Other maximum <sup>2</sup> |                    |
| <b>All participants</b>                |       |                                 |                         |                  |                  |                  |                  |                  |                  |                  |                            |                    |
| Total .....                            | 100   | 72                              | 5                       | 5                | 12               | 6                | 18               | 9                | 10               | 5                | 2                          | 28                 |
| Fixed percent of earnings .....        | 90    | 66                              | 5                       | 5                | 12               | 6                | 17               | 8                | 9                | 4                | ( <sup>3</sup> )           | 24                 |
| Less than 50 percent .....             | 1     | 1                               | ( <sup>3</sup> )        | ( <sup>3</sup> ) | ( <sup>3</sup> ) | ( <sup>3</sup> ) | ( <sup>3</sup> ) | -                | ( <sup>3</sup> ) | ( <sup>3</sup> ) | -                          | 1                  |
| 50 percent .....                       | 22    | 12                              | 2                       | 2                | 1                | 1                | 3                | ( <sup>3</sup> ) | 2                | 1                | ( <sup>3</sup> )           | 10                 |
| 60 percent .....                       | 49    | 38                              | 2                       | 2                | 9                | 4                | 10               | 4                | 5                | 2                | -                          | 11                 |
| 65 or 67 percent .....                 | 14    | 12                              | 1                       | 1                | 2                | 1                | 3                | 3                | 1                | ( <sup>3</sup> ) | -                          | 1                  |
| 70 percent or more .....               | 4     | 3                               | -                       | ( <sup>3</sup> ) | -                | ( <sup>3</sup> ) | 2                | ( <sup>3</sup> ) | ( <sup>3</sup> ) | ( <sup>3</sup> ) | -                          | 1                  |
| Other percent .....                    | 1     | 1                               | -                       | ( <sup>3</sup> ) | ( <sup>3</sup> ) | -                | ( <sup>3</sup> ) | ( <sup>3</sup> ) | 1                | -                | ( <sup>3</sup> )           | ( <sup>3</sup> )   |
| Percent varies by earnings .....       | 5     | 3                               | ( <sup>3</sup> )        | -                | ( <sup>3</sup> ) | ( <sup>3</sup> ) | ( <sup>3</sup> ) | 1                | 1                | 1                | -                          | 2                  |
| Percent varies by service .....        | 3     | 2                               | ( <sup>3</sup> )        | ( <sup>3</sup> ) | ( <sup>3</sup> ) | -                | -                | ( <sup>3</sup> ) | ( <sup>3</sup> ) | -                | 2                          | ( <sup>3</sup> )   |
| Percent varies during disability ..    | 2     | ( <sup>3</sup> )                | -                       | -                | ( <sup>3</sup> ) | -                | ( <sup>3</sup> ) | ( <sup>3</sup> ) | -                | -                | -                          | 2                  |
| <b>Professional and administrative</b> |       |                                 |                         |                  |                  |                  |                  |                  |                  |                  |                            |                    |
| Total .....                            | 100   | 74                              | 3                       | 3                | 13               | 5                | 20               | 11               | 12               | 6                | 1                          | 26                 |
| Fixed percent of earnings .....        | 90    | 70                              | 3                       | 3                | 13               | 5                | 19               | 10               | 11               | 5                | ( <sup>3</sup> )           | 21                 |
| Less than 50 percent .....             | 1     | ( <sup>3</sup> )                | ( <sup>3</sup> )        | ( <sup>3</sup> ) | ( <sup>3</sup> ) | ( <sup>3</sup> ) | ( <sup>3</sup> ) | -                | ( <sup>3</sup> ) | ( <sup>3</sup> ) | -                          | 1                  |
| 50 percent .....                       | 17    | 10                              | 1                       | 1                | 1                | 1                | 2                | ( <sup>3</sup> ) | 2                | 1                | ( <sup>3</sup> )           | 7                  |
| 60 percent .....                       | 51    | 41                              | 1                       | 1                | 10               | 3                | 11               | 5                | 7                | 2                | -                          | 10                 |
| 65 or 67 percent .....                 | 15    | 14                              | 1                       | 1                | 2                | 1                | 4                | 4                | 1                | 1                | -                          | 1                  |
| 70 percent or more .....               | 4     | 3                               | -                       | ( <sup>3</sup> ) | -                | ( <sup>3</sup> ) | 2                | ( <sup>3</sup> ) | 1                | 1                | -                          | 1                  |
| Other percent .....                    | 1     | 1                               | -                       | -                | ( <sup>3</sup> ) | -                | ( <sup>3</sup> ) | ( <sup>3</sup> ) | 1                | -                | ( <sup>3</sup> )           | ( <sup>3</sup> )   |
| Percent varies by earnings .....       | 5     | 3                               | ( <sup>3</sup> )        | -                | ( <sup>3</sup> ) | ( <sup>3</sup> ) | ( <sup>3</sup> ) | ( <sup>3</sup> ) | 1                | 1                | -                          | 2                  |
| Percent varies by service .....        | 2     | 1                               | ( <sup>3</sup> )        | ( <sup>3</sup> ) | ( <sup>3</sup> ) | -                | -                | ( <sup>3</sup> ) | ( <sup>3</sup> ) | -                | ( <sup>3</sup> )           | 1                  |
| Percent varies during disability ..    | 3     | ( <sup>3</sup> )                | -                       | -                | ( <sup>3</sup> ) | -                | ( <sup>3</sup> ) | ( <sup>3</sup> ) | -                | -                | -                          | 3                  |
| <b>Technical and clerical</b>          |       |                                 |                         |                  |                  |                  |                  |                  |                  |                  |                            |                    |
| Total .....                            | 100   | 71                              | 4                       | 4                | 13               | 6                | 19               | 8                | 10               | 5                | 1                          | 29                 |
| Fixed percent of earnings .....        | 94    | 68                              | 4                       | 3                | 13               | 6                | 19               | 8                | 9                | 5                | ( <sup>3</sup> )           | 26                 |
| Less than 50 percent .....             | 1     | 1                               | ( <sup>3</sup> )        | ( <sup>3</sup> ) | ( <sup>3</sup> ) | ( <sup>3</sup> ) | ( <sup>3</sup> ) | -                | ( <sup>3</sup> ) | ( <sup>3</sup> ) | -                          | 1                  |
| 50 percent .....                       | 23    | 13                              | 1                       | 1                | 1                | 1                | 6                | ( <sup>3</sup> ) | 2                | 1                | ( <sup>3</sup> )           | 10                 |
| 60 percent .....                       | 49    | 37                              | 2                       | 1                | 9                | 4                | 9                | 5                | 6                | 3                | -                          | 12                 |
| 65 or 67 percent .....                 | 15    | 13                              | 1                       | 1                | 3                | 1                | 2                | 3                | 1                | ( <sup>3</sup> ) | -                          | 2                  |
| 70 percent or more .....               | 5     | 4                               | -                       | -                | -                | ( <sup>3</sup> ) | 2                | ( <sup>3</sup> ) | 1                | 1                | -                          | 1                  |
| Other percent .....                    | 1     | 1                               | -                       | ( <sup>3</sup> ) | ( <sup>3</sup> ) | -                | ( <sup>3</sup> ) | ( <sup>3</sup> ) | 1                | -                | ( <sup>3</sup> )           | ( <sup>3</sup> )   |
| Percent varies by earnings .....       | 3     | 2                               | ( <sup>3</sup> )        | -                | ( <sup>3</sup> ) | ( <sup>3</sup> ) | ( <sup>3</sup> ) | ( <sup>3</sup> ) | 1                | 1                | -                          | 1                  |
| Percent varies by service .....        | 1     | 1                               | ( <sup>3</sup> )        | ( <sup>3</sup> ) | ( <sup>3</sup> ) | -                | -                | ( <sup>3</sup> ) | -                | -                | 1                          | ( <sup>3</sup> )   |
| Percent varies during disability ..    | 2     | ( <sup>3</sup> )                | -                       | -                | ( <sup>3</sup> ) | -                | ( <sup>3</sup> ) | -                | -                | -                | -                          | 1                  |

See footnotes at end of table.

**Table 30. Long-term disability insurance: Percent of full-time participants with benefits based on percent of earnings formula by maximum monthly benefit, medium and large firms, 1989—Continued**

| Type of payment                     | Total            | Total with maximum <sup>1</sup> | Maximum monthly benefit |                  |                  |                  |                  |                  |                  |                  |                            | No maximum payment |
|-------------------------------------|------------------|---------------------------------|-------------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|----------------------------|--------------------|
|                                     |                  |                                 | \$1500 or less          | \$1501-\$2000    | \$2001-\$3000    | \$3001-\$4000    | \$4001-\$5000    | \$5001-\$7500    | \$7501-\$10,000  | \$10,001 or more | Other maximum <sup>2</sup> |                    |
| <b>Production and service</b>       |                  |                                 |                         |                  |                  |                  |                  |                  |                  |                  |                            |                    |
| Total .....                         | 100              | 68                              | 10                      | 8                | 7                | 6                | 12               | 6                | 7                | 4                | 6                          | 32                 |
| Fixed percent of earnings .....     | 86               | 58                              | 9                       | 8                | 7                | 6                | 12               | 5                | 6                | 4                | 1                          | 28                 |
| Less than 50 percent .....          | 2                | 1                               | ( <sup>3</sup> )        | ( <sup>3</sup> ) | -                | ( <sup>3</sup> ) | -                | -                | ( <sup>3</sup> ) | 1                | -                          | 1                  |
| 50 percent .....                    | 27               | 13                              | 3                       | 3                | ( <sup>3</sup> ) | 1                | ( <sup>3</sup> ) | ( <sup>3</sup> ) | 3                | ( <sup>3</sup> ) | 1                          | 14                 |
| 60 percent .....                    | 44               | 34                              | 3                       | 3                | 7                | 4                | 10               | 2                | 2                | 3                | -                          | 11                 |
| 65 or 67 percent .....              | 10               | 10                              | 2                       | 2                | ( <sup>3</sup> ) | ( <sup>3</sup> ) | 2                | 2                | 1                | ( <sup>3</sup> ) | -                          | 1                  |
| 70 percent or more .....            | 2                | ( <sup>3</sup> )                | -                       | -                | -                | ( <sup>3</sup> ) | ( <sup>3</sup> ) | ( <sup>3</sup> ) | ( <sup>3</sup> ) | ( <sup>3</sup> ) | -                          | 1                  |
| Other percent .....                 | ( <sup>3</sup> ) | ( <sup>3</sup> )                | -                       | ( <sup>3</sup> ) | ( <sup>3</sup> ) | -                | -                | -                | ( <sup>3</sup> ) | -                | ( <sup>3</sup> )           | ( <sup>3</sup> )   |
| Percent varies by earnings .....    | 7                | 4                               | 1                       | -                | ( <sup>3</sup> ) | ( <sup>3</sup> ) | -                | 1                | 1                | ( <sup>3</sup> ) | -                          | 3                  |
| Percent varies by service .....     | 6                | 6                               | ( <sup>3</sup> )        | ( <sup>3</sup> ) | ( <sup>3</sup> ) | -                | -                | ( <sup>3</sup> ) | -                | -                | 6                          | 1                  |
| Percent varies during disability .. | 1                | ( <sup>3</sup> )                | -                       | -                | ( <sup>3</sup> ) | -                | ( <sup>3</sup> ) | -                | -                | -                | -                          | 1                  |

<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> Includes maximums that vary with years of service.

<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 31. Long-term disability insurance: Percent of full-time participants with maximum disability income provisions<sup>1</sup> by type and amount of maximum, medium and large firms, 1989**

| Disability income maximum                   | All participants | Professional and administrative participants | Technical and clerical participants | Production and service participants |
|---|------------------|--|-------------------------------------|-------------------------------------|
| Total .....                                 | 100              | 100  | 100                                 | 100                                 |
| Fixed percent of employee's earnings .....  | 91               | 93   | 91                                  | 86                                  |
| Less than 70 percent .....                  | 4                | 7  | 3                                   | 1                                   |
| 70 percent .....                            | 31               | 34   | 29                                  | 29                                  |
| 75 percent .....                            | 24               | 16   | 23                                  | 36                                  |
| 80 percent .....                            | 17               | 17   | 22                                  | 8                                   |
| More than 80 percent .....                  | 15               | 19   | 14                                  | 11                                  |
| Other percent .....                         | ( <sup>3</sup> ) | ( <sup>3</sup> )                             | ( <sup>3</sup> )                    | ( <sup>3</sup> )                    |
| Percent varies by employee's earnings ..... | 1                | 1  | ( <sup>3</sup> )                    | 3                                   |
| Other <sup>2</sup> .....                    | ( <sup>3</sup> ) | ( <sup>3</sup> )                             | 1                                   | ( <sup>3</sup> )                    |
| Not determinable .....                      | 8                | 6  | 8                                   | 11                                  |

<sup>1</sup> Ceilings on income during disability that limit the total amount payable from the long-term disability insurance and other income.

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

<sup>3</sup> Includes maximum benefits specified as a dollar amount.

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 benefit waiting period,<sup>1</sup> medium and large firms, 1989**

| Length of waiting period  | All participants | Professional and administrative participants | Technical and clerical participants | Production and service participants |
|---|------------------|--|-------------------------------------|-------------------------------------|
| Total .....   | 100              | 100  | 100                                 | 100                                 |
| Less than 3 months .....  | 2                | 2  | 2                                   | 1                                   |
| 3 months .....  | 18               | 21   | 21                                  | 11                                  |
| 4-5 months .....  | 6                | 7  | 6                                   | 5                                   |
| 6 months .....  | 48               | 49   | 52                                  | 41                                  |
| 7-11 months .....   | 1                | 1  | 1                                   | ( <sup>3</sup> )                    |
| 1 year or more .....  | 3                | 4  | 3                                   | 2                                   |
| Varies by duration of short-term disability benefits <sup>2</sup> ..... | 21               | 15   | 14                                  | 36                                  |
| Not determinable .....  | 2                | 1  | 1                                   | 3                                   |

<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 33. Long-term disability insurance: Percent of full-time participants by duration of benefits, medium and large firms, 1989**

| Duration  | All participants | Professional and administrative participants | Technical and clerical participants | Production and service participants |
|---|------------------|--|-------------------------------------|-------------------------------------|
| Total .....   | 100              | 100  | 100                                 | 100                                 |
| For life .....  | 2                | 2  | 1                                   | 3                                   |
| To retirement age .....                                 | 11               | 13   | 10                                  | 11                                  |
| Varies by age when disability occurs <sup>1</sup> ..... | 80               | 82   | 84                                  | 71                                  |
| One-time reduction .....                                | 25               | 23   | 25                                  | 30                                  |
| Gradual reduction .....                                 | 54               | 59   | 59                                  | 41                                  |
| Other <sup>2</sup> .....                                | 7                | 3  | 4                                   | 15                                  |
| Provision not determinable .....                        | 1                | 1  | 1                                   | ( <sup>3</sup> )                    |

<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> Includes durations that vary by length of service.

<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 34. Long-term disability insurance: Percent of full-time participants by length-of-service requirements for participation,<sup>1</sup> medium and large firms, 1989**

| Length-of-service requirement              | All participants | Professional and administrative participants | Technical and clerical participants | Production and service participants |
|--|------------------|--|-------------------------------------|-------------------------------------|
| Total .....                                | 100              | 100  | 100                                 | 100                                 |
| With service requirement .....             | 63               | 61   | 67                                  | 63                                  |
| 1 month .....                              | 9                | 10   | 8                                   | 7                                   |
| 2 months .....                             | 7                | 4  | 5                                   | 12                                  |
| 3 months .....                             | 13               | 13   | 13                                  | 12                                  |
| 4-5 months .....                           | 1                | ( <sup>2</sup> )                             | ( <sup>2</sup> )                    | 2                                   |
| 6 months .....                             | 12               | 11   | 12                                  | 14                                  |
| 7-11 months .....                          | ( <sup>2</sup> ) | ( <sup>2</sup> )                             | ( <sup>2</sup> )                    | ( <sup>2</sup> )                    |
| 1 year .....                               | 13               | 13   | 16                                  | 11                                  |
| Over 1 year and under 2 years .....        | ( <sup>2</sup> ) | ( <sup>2</sup> )                             | ( <sup>2</sup> )                    | -                                   |
| 2 years .....                              | 5                | 4  | 10                                  | 1                                   |
| 3 years .....                              | 1                | 2  | 1                                   | 1                                   |
| Over 3 years .....                         | 3                | 3  | 2                                   | 3                                   |
| Without service requirement .....          | 35               | 38   | 31                                  | 36                                  |
| Service requirement not determinable ..... | 1                | 1  | 2                                   | 1                                   |

<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 35. Long-term disability insurance: Percent of full-time participants by coverage for mental illness, medium and large firms, 1989**

| Item   | All participants | Professional and administrative participants | Technical and clerical participants | Production and service participants |
|--|------------------|--|-------------------------------------|-------------------------------------|
| Total .....  | 100              | 100  | 100                                 | 100                                 |
| With coverage for mental illness .....                                   | 94               | 93   | 93                                  | 96                                  |
| Without limits .....   | 50               | 45   | 49                                  | 57                                  |
| Benefits limited .....   | 44               | 48   | 44                                  | 39                                  |
| Benefits provided only if institutionalized .....                        | 1                | 2  | 2                                   | ( <sup>1</sup> )                    |
| Benefits provided only for limited period unless institutionalized ..... | 40               | 42   | 39                                  | 36                                  |
| 12 months .....  | 3                | 2  | 3                                   | 3                                   |
| 24 months .....  | 36               | 39   | 36                                  | 32                                  |
| Other .....  | 1                | 1  | 1                                   | 1                                   |
| Benefits provided only for limited period .....                          | 3                | 4  | 3                                   | 3                                   |
| 12 months .....  | ( <sup>1</sup> ) | ( <sup>1</sup> )                             | ( <sup>1</sup> )                    | ( <sup>1</sup> )                    |
| 24 months .....  | 2                | 3  | 3                                   | 1                                   |
| Other .....  | 1                | 1  | ( <sup>1</sup> )                    | 2                                   |
| No coverage for mental illness .....                                     | 4                | 5  | 5                                   | 2                                   |
| Coverage not determinable .....  | 2                | 2  | 2                                   | 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 36. Long-term disability insurance: Percent of full-time participants by provision for survivor benefits, medium and large firms, 1989**

| Type of annuity for surviving spouse          | All participants | Professional and administrative participants | Technical and clerical participants | Production and service participants |
|---|------------------|--|-------------------------------------|-------------------------------------|
| Total .....                                   | 100              | 100  | 100                                 | 100                                 |
| With survivor benefits .....                  | 28               | 33   | 30                                  | 18                                  |
| Lump sum payment .....                        | 19               | 24   | 21                                  | 10                                  |
| 3 times monthly benefit .....                 | 18               | 23   | 20                                  | 9                                   |
| Other .....                                   | 1                | 1  | 1                                   | 1                                   |
| Percent of monthly benefit <sup>1</sup> ..... | 8                | 9  | 9                                   | 7                                   |
| Less than 100 percent .....                   | 1                | 1  | 1                                   | 1                                   |
| 100 percent .....                             | 7                | 7  | 8                                   | 6                                   |
| Other benefit <sup>2</sup> .....              | 1                | 1  | ( <sup>3</sup> )                    | 1                                   |
| No survivor benefits .....                    | 71               | 66   | 69                                  | 81                                  |
| Benefit not determinable .....                | 1                | 1  | 1                                   | 1                                   |

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

<sup>2</sup> Includes plans that pay any unpaid balance of an accrued benefit to a survivor.

<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.

# Chapter 5. Medical Care, Dental Care, and Life Insurance

Along with paid leave, medical care and life insurance are the most common employee benefits in medium and large firms. Medical care benefits were provided to 92 percent and life insurance to 94 percent of all full-time employees, while dental care was available to 66 percent of employees. The extent of coverage was nearly identical 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 or laid-off workers.

### Coverage of selected categories of medical care

Virtually all of the participants in health care plans had coverage for the major categories of medical care, such as hospital room and board, care by physicians and surgeons, X-ray and laboratory services, and out-of-hospital prescription drugs (table 37). With relatively few exceptions, coverage included physical and mental health conditions and substance abuse treatment.

Lower cost alternatives to hospital care were also significant. Three out of four medical plan participants had provisions covering home health care, and four out of five had coverage in extended care facilities. Hospice care, for the terminally ill, was available to approximately two-fifths of medical plan participants.

Among benefits less commonly provided were vision care (covering 35 percent of the participants), hearing care (26 percent), and routine physical exams (28 percent). Unlike most other employee benefits, there were few differences in health care provisions among employee groups.

### Funding arrangements

In 1989, three-fourths of all health plan participants were covered by a fee-for-service medical plan (table 38.) These plans pay for specific medical procedures as expenses are incurred. Arrangements for financing plan benefits varied widely: Self-insured plans (where the plan

sponsor—typically the employer—bore the financial risk for making plan payments) covered 43 percent of fee-for-service participants, compared to 34 percent in commercially insured plans, and 19 percent in Blue Cross-Blue Shield plans. The remainder generally had combined sources of benefits. An increased incidence of self-insured plans has been observed in recent years. Reasons for this may include reduced administrative costs for self-insurance, and the fact that some States charge a premium tax on insured plans.

Seventeen percent of health care participants covered by the survey were enrolled in health maintenance organizations (HMO'S). (See chart 2.) HMO's agree to provide a prescribed set of benefits to enrollees for a fixed payment. The HMO thus bears the risk associated with the assessment of need and delivery of care.<sup>11</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, with providers working from their own offices. The following tabulation shows the percent of HMO participants by type of plan:

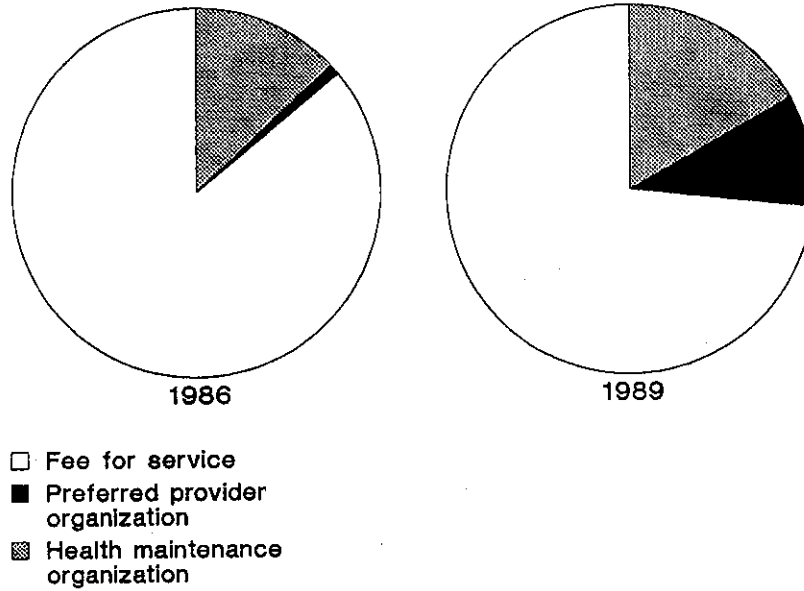
|                                       | <i>Percent of participants</i> |
|---------------------------------------|--------------------------------|
| Group/staff .....                     | 44                             |
| Individual Practice Association ..... | 53                             |
| Combination .....                     | 4                              |

Five percent of participants in health maintenance organization plans had an open enrollment option. In such plans, an enrollee has the ability to utilize health care providers outside of the HMO, although reimbursement of expenses is less than if the HMO providers are used.

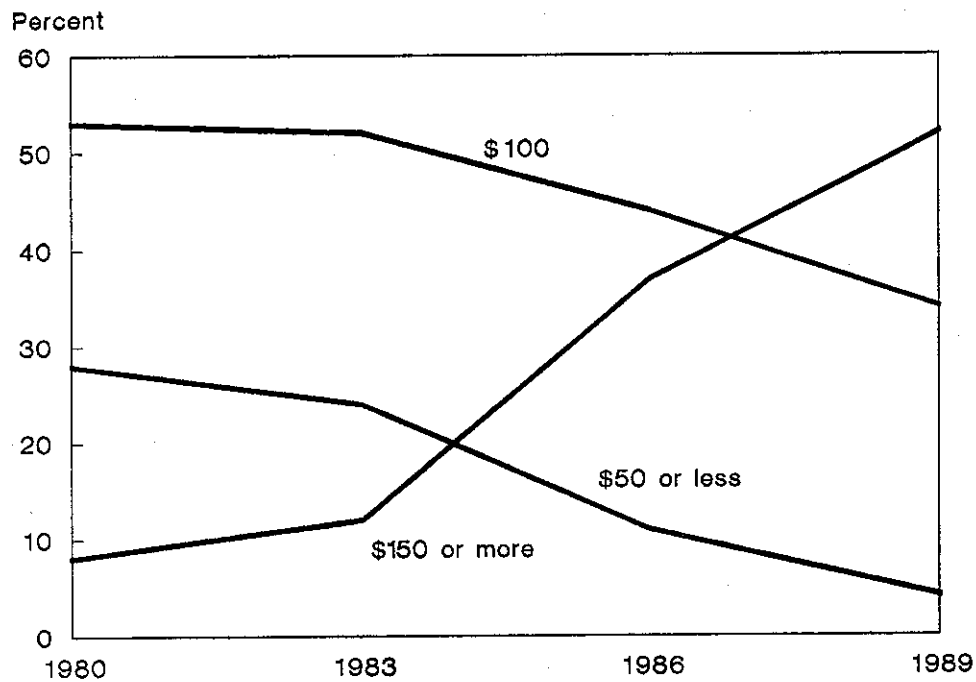
Preferred provider organizations (PPO's) covered 10 percent of medical care participants in 1989, up from 7 percent in 1988 and 1 percent in 1986. Preferred Provider Organization plans pay a higher benefit for services rendered by designated health care providers (such as hospitals and physicians), although participants are free to choose any provider. Providers agree in advance to a given

<sup>11</sup> Further details on HMO's may be found in *EBRI Issue Brief #87*, "Managing Health Care Costs and Quality", February 1989. See also Allan Blostin and William Marclay, "HMO's and Other Health Plans: Coverage and Employee Premiums," *Monthly Labor Review*, June 1983, pp. 28-33.

**Chart 2. Medical care benefits: Percent of full-time participants by type of fee arrangement, medium and large firms, 1986 and 1989**



**Chart 3. Medical care benefits: Percent of full-time participants in plans with deductibles by selected amounts, medium and large firms, 1980-89**



fee schedule.<sup>12</sup>

Almost three-fifths of participants covered by vision care provisions received benefits through a fee-for-service plan, while one-third were provided benefits through an HMO.

As noted above, financing arrangements varied by type of plan. But taking into account all medical, dental, and vision benefits, 49 percent of health care plan participants had at least some coverage through employer self-insured benefits.

### Payment arrangements

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 37).

Full coverage indicates no restrictions on the number of days of care, no dollar maximums on benefits, and no required payments by the covered individual. Such full coverage was most common among HMO plans.<sup>13</sup>

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.

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 \$150 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.

### Overall limitations

In fee-for-service plans, nearly all categories of medical care were likely to be subject to overall limitations on plan benefits. For several categories—such as visits to the physician's office, outpatient diagnostic X-ray and laboratory services, and out-of-hospital prescription drugs—overall limitations were usually the only type applied (tables 39 to 43).

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. Nine-tenths of the participants in plans with overall limitations were subject to an annual flat-dollar deductible. Of these participants, however, 14 percent were in plans where the deductible did not apply to hospital room and board expenses.

While \$100 was the most common individual annual deductible, accounting for one-third of the participants subject to overall limits, deductibles of \$150 and \$200 were also prevalent. The average annual deductible was \$174 for all workers. White-collar workers with overall limitations on their medical care were required to meet an average annual deductible that was nearly \$25 higher than the \$161 average annual deductible for blue-collar workers. (See chart 3.)

When a medical care plan covered an employee and family, a family deductible was often specified in addition to individual deductibles. After the family deductible is met, no additional individual deductibles apply during that year. Four out of five participants in plans with overall limitations had to meet both individual and family deductibles. Most commonly, family deductibles were equal to two or three times the individual deductibles.

Once the deductible has been met, the plan almost always pays a specified percentage of covered expenses (usually 80 percent), with the employee paying the remainder (coinsurance). Ten percent of participants were in plans where the coinsurance rate was different for hospital room and board expenses than for other expenses. In such cases, the hospital coinsurance percentage was generally higher, often 100 percent.

Just over four-fifths of participants subject to overall limitations were in plans where the coinsurance increased to 100 percent after the individual paid out a specified dollar amount for covered expenses (maximum out-of-pocket expense). Three-fifths of participants with overall limits had an annual individual out-of-pocket expense maximum of less than \$1250, in addition to the deductible. Maximum out-of-pocket ceilings were also specified for family expenses in plans covering 49 percent of participants with overall limitations. The annual maximum for

<sup>12</sup> One additional health care funding arrangement, exclusive provider organizations, was available to a small number of survey participants. An exclusive provider organization is a group of hospitals and physicians that contracts to provide comprehensive medical services. Participants are required to obtain services from members of the organization to receive plan benefits.

<sup>13</sup> When a benefit is covered in full, all expenses up to usual, reasonable, and customary charges, or the prevailing hospital semiprivate rate, are borne by the plan.



out-of-pocket expenses averaged \$1,077 for an individual, and \$2,298 for a family.

Plans that required an annual deductible and placed a maximum on out-of-pocket expenses covered 80 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 1989, the annual deductible plus the annual out-of-pocket expense maximum averaged \$1,258 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 1989, seven-tenths of the participants in plans with overall limitations were affected by a lifetime maximum only. A maximum of \$1 million applied to more than one-half of these participants. Other common maximum amounts were \$250,000 and \$500,000, with the average of all maximums just below \$832,000. Plans that did not impose a maximum on plan payments covered 21 percent of the participants subject to overall limitations.

### Hospital coverage

Nearly all health plan enrollees covered by the survey had benefit provisions for hospital room and board charges<sup>15</sup> (table 44). Twenty-eight percent 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.

Twenty-two percent 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. (For 2 percent of the participants, coverage ceased after a specified number of days). Most of the remaining participants were in plans where hospital room and board expenses were covered at a percentage of the semiprivate rate, frequently 80 percent.

### 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.<sup>16</sup> One-third of participants were cov-

ered for the full UCR charges, while another two-fifths were covered for 80 percent of the UCR charges (tables 45 to 47).

When in-hospital surgery was not based on UCR charges, it was covered according to a schedule establishing a maximum amount payable for each procedure. Charges exceeding the scheduled maximums, however, were generally covered, subject to the plan's overall deductible and coinsurance.

Almost three-quarters 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.

Three-fifths of all enrollees in plans with surgical benefits had to satisfy a deductible for in-hospital procedures. When outpatient surgery was needed, however, only two in five of these participants had a deductible requirement. Generally, when deductibles are not applicable for in-hospital surgery, neither are they applicable for outpatient procedures.

Second surgical opinion provisions were applicable to almost three-fifths of participants with inpatient surgical benefits. Three-fifths 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.

The medical care plans examined in the survey treated maternity charges like other surgical charges. Twenty percent of the participants were in plans that included incentives for deliveries in lower cost birthing centers, rather than in hospitals. 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 participants, was commonly subject to special limitations (table 48). Plans with mental health benefits having more restrictive hospital coverage for mental illness than for other ailments, covered 77 percent of participants in 1989; this continues an upward trend in the percent of participants with such restrictions, from 71 percent in 1988 and 43 percent in 1982. 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) 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). Ninety-two percent of participants were subject to special limits in

<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.

<sup>15</sup> A small number of participants, who elected only dental or vision care coverage (perhaps because they were covered by a spouse's benefits), were not covered for hospital expenses.

<sup>16</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 is reasonable, based on the medical circumstances.

1989, up from 84 percent in 1982. 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 the plan for other illnesses. Also, outpatient mental health care expenses often did not count toward the maximum out-of-pocket expense limitation, and the reimbursement for these expenses did not increase to 100 percent if the out-of-pocket expense limitation was met.<sup>17</sup>

### Alcohol and drug abuse treatment

Alcohol and drug abuse treatment benefits covered 97 and 96 percent of health care participants, respectively.<sup>18</sup> Benefits provided under substance abuse care included both detoxification and rehabilitation. Detoxification provides supervised care by medical personnel 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.

Almost all participants covered by some form of alcohol abuse benefits were eligible for inpatient (in-hospital) detoxification, and 68 percent for inpatient rehabilitation (tables 49 to 50). 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, since it requires less constant, immediate care. Outpatient alcohol abuse treatment, generally rehabilitative care, was available to 61 percent of participants with alcoholism coverage. Coverage patterns were similar for drug abuse benefits.<sup>19</sup>

As is true for mental health care, plans were more restrictive in covering substance abuse treatment than other illnesses. It was more likely, however, for inpatient detoxification to be treated the same as other conditions than inpatient rehabilitation or outpatient care. Nearly three-fifths of the participants with inpatient alcohol detoxification care had their coverage either subject to separate limitations or to the same limitations as for mental illnesses. This contrasts with inpatient rehabilitation and

outpatient care, where nearly nine-tenths of participants had their coverage subject to separate limitations or covered the same as mental health care.

Separate 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, and maximum dollar amounts of benefits per year or per lifetime. Limitations on days and dollars were often combined for alcohol and drug abuse care. A typical limitation on inpatient care was 30 days per year. Similarly, outpatient care might be restricted to 20 or 30 visits by a care provider per year.

### Health maintenance organizations

The survey tabulated the details of three categories of medical care provided by HMO's—physicians' office visits, out-of-hospital prescription drugs, and extended care facilities (table 51). For physicians' office visits, 55 percent of HMO participants were required to pay a copayment, typically \$3 or \$5 per visit, before treatment was received. Most of the remaining participants received coverage in full. In general, HMO's do not limit the number of physicians' visits.

Out-of-hospital prescription drug benefits were available to 90 percent of HMO participants and slightly more than four-fifths had to pay a copayment per prescription, commonly between \$2 and \$5. Finally, extended care treatment facility benefits were available to 93 percent of HMO participants, most commonly with a limit on the number of days for which care was available.

### Cost containment

To help contain costs of health care, a number of plans provide less expensive alternatives to a hospital stay. Coverage for treatment in an extended care facility was available to 80 percent of the participants in 1989. Home health care was covered for 75 percent of participants, and 42 percent of participants had coverage for hospice care for the terminally ill (up 4 percentage points from 1988).

More generous benefit provisions for prehospitalization testing, a means of decreasing the length of hospitalization, covered 42 percent of the health plan participants. Certification before hospital admission (generally by an insurance company) was required of 44 percent of participants (table 52).

Some cost containment measures encouraged alternative means of obtaining prescription drugs. Ten percent of all plan participants received higher reimbursements for mail order drugs than for drugs purchased over the counter, compared with 7 percent in 1988, and 14 percent received higher reimbursement for obtaining generic rather than name brand prescription drugs.

Less common cost containment features included incentives to the employee to audit hospital bills (available to 5 percent of participants) and limitations on payments for nonemergency admissions to hospitals on weekends (in

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

<sup>18</sup> The large increase in the incidence of alcohol and drug abuse treatment benefits (up from 80 and 74 percent, respectively, in 1988) is due to an increase in the extent of such benefits in medical care plans and a refinement in the survey's procedures for tabulating detoxification benefits.

<sup>19</sup> The extent of coverage for rehabilitation and outpatient care is largely unchanged from 1988. However, the percentage of workers with substance abuse benefits who have these coverages declined. This is due to the increase in the incidence of detoxification benefits, which caused and increase in the total number of workers with substance abuse benefits.

plans covering 12 percent of participants). In general, fee-for-service plans and preferred provider organizations were more likely to include all types of cost containment features than were HMO's, which have their own inherent cost containment mechanisms.

### Other health benefits

The survey measured the incidence of several other services provided through medical care plans (table 53). For example, 28 percent of medical care participants were in plans that covered at least some of the costs for routine physical examinations and 26 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>

### Vision care

Vision care coverage was available to 35 percent of all medical care plan participants (table 54). Nearly all participants eligible for vision benefits had coverage for eye examinations, 68 percent had coverage for eyeglasses, and 66 percent had coverage for contact lenses. Blue-collar participants were more likely than white-collar participants to receive benefits for eyeglasses and contact lenses.

Separate limits for vision care included scheduled dollar allowances, coinsurance, copayments, and discounts on the purchase of eyeglasses and contact lenses. The majority of vision care participants had coverage subject to separate limitations only: 65 percent of all participants with coverage for eye exams, 85 percent for eyeglasses, and 91 percent for contact lenses. Nearly one-third of those covered for eye exams were covered in full, and 5 percent had coverage subject to overall limits only (such as deductibles, coinsurance, and maximums that applied to all care received). Common benefits included a schedule payable by the plan for eyewear and a copayment for eye examinations.<sup>21</sup>

### Employee contributions

The percent of employees whose medical care premiums were wholly paid by their employers declined slightly in 1989. Forty-eight percent of workers had individual coverage wholly financed by their employers in 1989, down from 51 percent in 1988. Thirty-one percent received fully paid family coverage, virtually unchanged

<sup>20</sup> Under the Health Maintenance Organization Act of 1973, as amended, 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.

<sup>21</sup> Vision care benefits are discussed in detail in Rita S. Jain, "Employer-sponsored Vision Care Brought Into Focus," *Monthly Labor Review*, September 1988, pp. 19-23.

from 1988 but a 4-percentage-point drop from 1986. This continued a long-term decline in fully paid medical care coverage, which is partly a reaction to the increased cost of medical care (tables 55 to 57).

Exact data on the amount of an employee's contributions for medical benefits occasionally were not available because a single payroll deduction applied to both medical care and one or more other benefits. However, where the amount was reported, employee premiums for individual and family coverage averaged \$25 and \$72 a month, respectively, up from \$19 and \$60 in 1988. Employee premiums for single coverage were slightly higher for production and service workers than for the two white-collar groups, while the opposite was true for family coverage premiums.

Of those participants required to contribute, 12 percent were in plans where the contribution varied depending upon the choices made by an employee under a flexible benefits plan or reimbursement account, up from 3 percent in 1988. Such provisions, which mirror the growth in flexible arrangements discussed in chapter 9, were more common among white-collar workers than among blue-collar workers.

Employee medical care premiums showed some variation by type of plan. Fifty-nine percent of participants in HMO's were required to contribute for single coverage and 73 percent for family coverage, compared to 45 and 64 percent, respectively, for non-HMO's. The average premium for individual coverage was higher for participants in non-HMO's; the opposite was true for family coverage.

Of employees required to contribute toward the cost of their medical care coverage in 1989, 25 percent were allowed to do so with pretax dollars, up from 16 percent in 1988. These employees had the advantage of reducing their taxable income while buying medical care. Pretax contributions may be required or optional, and are often offered as part of a flexible benefits arrangement.

### Participation requirements

Health care plans typically required that only a short eligibility period, if any, be served by new employees before coverage began (table 58). A little over two-fifths of health 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, while 1- or 2-month requirements also were common. The incidence of service requirements varied widely among white- and blue-collar workers: Forty-eight percent of white-collar employees could participate immediately, as opposed to 34 percent of blue-collar workers. For 9 percent 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 or laid-off 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. In addition, the continuation period stipulated by the law is limited.<sup>22</sup> The survey focused on coverage for retired and laid off employees that was financed wholly or partly by the employer (tables 59 to 61).

Of the medical care participants in the survey, 42 percent worked for employers who financed, at least in part, medical care protection after retirement. The majority of workers received post retirement coverage regardless of their age. However, a small number of workers received post retirement coverage only until age 65, when Medicare coverage becomes available. Two-fifths of the workers with employer-financed post retirement medical coverage did not have to meet eligibility requirements. Of those workers who did have an eligibility requirement imposed, the requirement was most commonly a stated length of service or qualification for the company pension plan.

The level of medical care coverage for retirees under age 65 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.

Employer-financed medical care coverage for laid-off employees was less common: only 22 percent of the participants had such protection. The maximum period of employer-financed protection was often 3 months or less, after which laid-off employees were required to pay the entire cost of continued coverage.

## Dental Care

Dental care benefits were available to 66 percent of employees covered by the survey (tables 62 to 67). The incidence of dental care has grown significantly since the survey began in 1979. In that year, 49 percent of workers had dental coverage. 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, as well as a separate dental plan that can accompany any medical plan. About half of all dental care participants were required to contribute toward the cost of their individual dental coverage, and about two-thirds were required to contribute for family coverage.

Dental plans typically cover preventive and restorative

services, and two-thirds 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, and crowns.<sup>23</sup>

Dental payments were most commonly based on a percentage of the usual, customary, and reasonable charge for a procedure. The percentage covered by a plan generally depended on the type of procedure performed. Less costly procedures such as examinations and X-rays were usually covered at 80 or 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.

About 15 percent of dental plan participants were offered reimbursement based on a schedule of cash allowances for restorative services, such as fillings, crowns, and endodontics. In this type of arrangement, each procedure is subject to a specified maximum dollar amount that can be paid to the participant or dentist. Preventive procedures were less likely to be subject to this type of schedule, and orthodontia was rarely covered in this way.

About 1 percent of dental plan participants had services covered by an incentive schedule. (Orthodontia was never covered in this way.) Under this arrangement, the percentage of dental expenses paid by the plan increases each year if the participant is examined regularly by a dentist.

Finally, a small number of participants were in plans requiring a copayment, after which benefits were paid in full. Copayments were commonly \$5 or \$10 per procedure for preventive care, while higher copayments often applied to major dental services.

Two-thirds of dental participants were in plans that specified a deductible amount before any benefits were paid by the plan. The most frequently observed deductible was \$25 or \$50 deductible each year. However, some plans required the participant to pay a deductible (usually \$50) only once while a member of the plan rather than every year. White-collar workers were more likely than blue-collar workers to have plans with deductible requirements.

Plans that limited the amount of payment each year by specifying an annual maximum benefit enrolled 82 percent of dental plan participants. The most common limit was \$1,000 per year. Orthodontic services were almost always subject to separate lifetime maximums, commonly \$750 or \$1,000. In 1989, the average lifetime orthodontia maximum was \$1,009.<sup>24</sup>

<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.

<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.

<sup>22</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.

Preauthorization clauses require participants to obtain authorization from the plan before undergoing expensive treatment. Two-thirds 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.

Dental plans included in the survey were almost entirely fee-for-service plans, which reimburse patients or providers only after services are received. Such plans were most commonly self-insured or obtained through a commercial insurer. Five percent of participants received benefits through a dental HMO and 4 percent received benefits through a dental preferred provider organization.

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 contribution, 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 contribution, that contribution was typically under \$5 per month for individual coverage and under \$15 per month for family coverage.

### Life Insurance

Life insurance plans covered 94 percent of full-time employees in 1989; nearly all participants had the cost of a basic plan paid entirely by the employer (tables 68 to 76). Where an employee contribution was required, it was most commonly stated as a flat amount per \$1,000 of coverage, such as 25 cents per \$1,000 of coverage per month. Amounts of life insurance coverage have grown steadily since this survey series began in 1979, either through an increase in specified dollar amounts of insurance or through increased maximums in formulas linked to earnings.

Basic coverage for two-thirds of all life insurance participants was linked to their earnings, enabling the level of protection to increase automatically with a rise in pay. Earnings-based formulas were much more prevalent among white-collar workers (77 percent) than among blue-collar workers (57 percent). The most common method of tying life insurance protection to earnings was to multiply the employee's annual earnings by a factor of 1 or 2 and round the product to the next \$1,000. For example, an employee earning \$22,700 would receive \$46,000 of coverage under a plan providing 2 times earnings (\$22,700 times 2 equals \$45,400, which is rounded up to \$46,000).

The average multiple-of-earnings benefit formula was 1.5 times earnings in 1989, the same as in 1988. Just under half of all participants in these plans had insurance equal to their annual earnings. Two in five had coverage equal to twice annual earnings or more.

Limits on the amount of life insurance coverage available to participants in 1989 were placed on 60 percent of all workers covered by multiple-of-earnings plans. These maximum amounts have increased significantly since first surveyed in 1979. In that year, 6 percent of participants in multiple-of-earnings plans were subject to a limitation on benefits of \$250,000 or more. That number increased to 30 percent in 1989. In fact, 8 percent of participants in these plans had maximum limitations of \$1,000,000 or more in 1989.

A flat dollar amount of insurance, regardless of earnings, affected 29 percent of life insurance plan participants. Such benefits were most common among production and service participants. The average flat-dollar amount of life insurance coverage was highest for professional and administrative participants (nearly \$14,000), while technical and clerical participants averaged almost \$13,000 and production and service participants averaged about \$11,500. While usually providing smaller amounts of insurance than earnings-based formulas, flat amount coverage has improved over the years. For example, participants in plans providing life insurance of \$20,000 or more increased from 2 percent of all flat-dollar plan participants in 1979 to 11 percent in 1984 and 18 percent in 1989.

To provide an indication of the average life insurance benefit available to all workers, calculations were made based on assumed annual earnings and years of service. For the participants in each life insurance plan, a dollar amount of benefit was computed. These benefits were then averaged and weighted by current participation. For participants with assumed annual earnings of \$25,000 at 10 years of service, the average benefit was nearly \$32,000; for \$45,000 at 10 years of service, the average was just over \$50,000.<sup>25</sup>

More than half of life insurance participants faced reduced coverage as older active workers. Coverage is reduced to account for the increased cost of insuring older workers.<sup>26</sup> Of the participants whose plans reduced coverage, just over one-half have their first reduction at age 65. Most of the remaining workers experience this at age 70. It was uncommon 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.

<sup>25</sup> For further details on these life insurance calculations, see Adam Z. Bellet, "Employer-sponsored Life Insurance: A New Look," *Monthly Labor Review*, October 1989, pp. 25-28.

<sup>26</sup> Details on life insurance benefits for older workers, are discussed by Michael A. Miller, "Age-related Reductions In Workers' Life Insurance," *Monthly Labor Review*, September 1985, pp. 29-34.

Accidental death and dismemberment (AD&D) insurance was available to 71 percent of the life insurance participants. This insurance provides additional benefits if a worker dies or loses an eye or a limb in an accident. For 82 percent of these workers, the AD&D benefit equaled their basic life insurance benefit for accidental death, and a portion of that benefit for dismemberment.

In addition to basic coverage, nearly two-thirds of all life insurance participants had supplemental coverage available. The great majority of 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 earnings, at the employee's option.

Life insurance coverage for dependents was available to 42 percent of participants. About half of the workers with this coverage were required to pay the entire premium to obtain coverage, while the other half had available either joint employee-employer paid or entirely employer-paid dependent coverage. Benefits for dependents that varied by employee option increased significantly in 1989. For spouse coverage, 31 percent of participants with dependent coverage available could choose between varying options, compared to 9 percent in 1988. (The figures were 25 and 7 percent, respectively, for child coverage.) Flat-dollar benefits were still the most prevalent, however. In such plans, spouse coverage averaged \$5,205, and coverage for

children averaged \$2,859 in 1989.<sup>27</sup>

Plans providing a monthly income to surviving members of an employee's family covered 7 percent of participants. 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 earnings 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.

Basic life insurance coverage continued after retirement for 42 percent of the participants, down from 49 percent in 1988. This coverage almost always continued for the remainder of the retiree's life, but the amount of the benefit was reduced at least once for 90 percent of employees with coverage after retirement.

Half of all life insurance participants were required to work a minimum period to qualify for the plan. Thirty-five percent of these workers had a 3-month requirement, but 1 month was also common.

<sup>27</sup> In 1989, for the first time the survey included questions on the availability of supplemental and dependent life insurance coverage paid for entirely by the employee. Such plans are available at group premium rates, thus providing an advantage over individual coverage

**Table 37. Health care benefits: Percent of full-time participants by coverage for selected categories of care, medium and large firms, 1989**

| Category of medical care                                  | Total | Care provided |                  |  |   |  | Care not provided <sup>1</sup> |
|---|-------|---------------|------------------|--|---|--|--------------------------------|
|   |       | All           | Covered in full  | Subject to internal limits only <sup>2</sup> | Subject to overall limits only <sup>3</sup> | Subject to internal and overall limits |                                |
| <b>All participants</b>                                   |       |               |                  |  |   |  |                                |
| Hospital room and board .....                             | 100   | 98            | 19               | 4  | 42  | 34                                     | 2                              |
| Hospitalization—miscellaneous services <sup>4</sup> ..... | 100   | 98            | 19               | 4  | 42  | 34                                     | 2                              |
| Extended care facility <sup>5</sup> .....                 | 100   | 80            | 7                | 20   | 14  | 40                                     | 20                             |
| Home health care <sup>5</sup> .....                       | 100   | 75            | 20               | 9  | 17  | 28                                     | 25                             |
| Inpatient surgery .....                                   | 100   | 98            | 33               | 1  | 56  | 9                                      | 2                              |
| Outpatient surgery <sup>6</sup> .....                     | 100   | 98            | 38               | ( <sup>7</sup> )                             | 51  | 9                                      | 2                              |
| Physician visits—in hospital .....                        | 100   | 98            | 23               | 1  | 58  | 17                                     | 2                              |
| Physician visits—office .....                             | 100   | 97            | 9                | 11   | 71  | 6                                      | 3                              |
| Diagnostic X-ray and laboratory .....                     | 100   | 98            | 28               | ( <sup>7</sup> )                             | 58  | 12                                     | 2                              |
| Prescription drugs—nonhospital .....                      | 100   | 95            | 3                | 29   | 60  | 3                                      | 5                              |
| Private duty nursing .....                                | 100   | 86            | 16               | 1  | 62  | 8                                      | 14                             |
| Mental health care .....                                  | 100   | 97            | ( <sup>7</sup> ) | 21   | 1   | 75                                     | 3                              |
| In hospital .....   | 100   | 96            | 3                | 20   | 7   | 66                                     | 4                              |
| Outpatient .....  | 100   | 92            | ( <sup>7</sup> ) | 21   | 2   | 68                                     | 8                              |
| Vision .....  | 100   | 35            | 5                | 28   | 1   | 2                                      | 65                             |
| Alcohol abuse treatment .....                             | 100   | 97            | 1                | 16   | 19  | 60                                     | 3                              |
| Drug abuse treatment .....                                | 100   | 96            | 1                | 15   | 20  | 60                                     | 4                              |
| Hospice .....   | 100   | 42            | 9                | 7  | 13  | 13                                     | 58                             |
| <b>Professional and administrative</b>                    |       |               |                  |  |   |  |                                |
| Hospital room and board .....                             | 100   | 98            | 24               | 2  | 43  | 29                                     | 2                              |
| Hospitalization—miscellaneous services <sup>4</sup> ..... | 100   | 98            | 24               | 2  | 43  | 29                                     | 2                              |
| Extended care facility <sup>5</sup> .....                 | 100   | 81            | 9                | 20   | 13  | 39                                     | 19                             |
| Home health care <sup>5</sup> .....                       | 100   | 80            | 24               | 9  | 15  | 32                                     | 20                             |
| Inpatient surgery .....                                   | 100   | 98            | 34               | 1  | 57  | 7                                      | 2                              |
| Outpatient surgery <sup>6</sup> .....                     | 100   | 98            | 40               | ( <sup>7</sup> )                             | 52  | 6                                      | 2                              |
| Physician visits—in hospital .....                        | 100   | 98            | 26               | ( <sup>7</sup> )                             | 60  | 11                                     | 2                              |
| Physician visits—office .....                             | 100   | 98            | 10               | 15   | 69  | 5                                      | 2                              |
| Diagnostic X-ray and laboratory .....                     | 100   | 98            | 31               | ( <sup>7</sup> )                             | 59  | 8                                      | 2                              |
| Prescription drugs—nonhospital .....                      | 100   | 96            | 3                | 31   | 59  | 3                                      | 4                              |
| Private duty nursing .....                                | 100   | 88            | 20               | 1  | 59  | 8                                      | 12                             |
| Mental health care .....                                  | 100   | 98            | ( <sup>7</sup> ) | 24   | 1   | 73                                     | 2                              |
| In hospital .....   | 100   | 97            | 4                | 22   | 9   | 61                                     | 3                              |
| Outpatient .....  | 100   | 96            | 1                | 24   | 2   | 70                                     | 4                              |
| Vision .....  | 100   | 36            | 6                | 27   | 1   | 2                                      | 64                             |
| Alcohol abuse treatment .....                             | 100   | 97            | 2                | 16   | 17  | 61                                     | 3                              |
| Drug abuse treatment .....                                | 100   | 97            | 2                | 16   | 19  | 60                                     | 3                              |
| Hospice .....   | 100   | 49            | 10               | 10   | 15  | 15                                     | 51                             |

See footnotes at end of table.

**Table 37. Health care benefits: Percent of full-time participants by coverage for selected categories of care, medium and large firms, 1989—Continued**

| Category of medical care                                  | Total | Care provided |                  |  |   |  | Care not provided <sup>1</sup> |
|---|-------|---------------|------------------|--|---|--|--------------------------------|
|   |       | All           | Covered in full  | Subject to internal limits only <sup>2</sup> | Subject to overall limits only <sup>3</sup> | Subject to internal and overall limits |                                |
| <b>Technical and clerical</b>                             |       |               |                  |  |   |  |                                |
| Hospital room and board .....                             | 100   | 98            | 22               | 2  | 44  | 31                                     | 2                              |
| Hospitalization—miscellaneous services <sup>4</sup> ..... | 100   | 98            | 22               | 2  | 44  | 31                                     | 2                              |
| Extended care facility <sup>5</sup> .....                 | 100   | 81            | 9                | 17   | 14  | 40                                     | 19                             |
| Home health care <sup>5</sup> .....                       | 100   | 79            | 23               | 8  | 16  | 32                                     | 21                             |
| Inpatient surgery .....                                   | 100   | 98            | 31               | ( <sup>7</sup> )                             | 61  | 6                                      | 2                              |
| Outpatient surgery <sup>6</sup> .....                     | 100   | 98            | 37               | ( <sup>7</sup> )                             | 55  | 5                                      | 2                              |
| Physician visits—in hospital .....                        | 100   | 98            | 25               | ( <sup>7</sup> )                             | 62  | 11                                     | 2                              |
| Physician visits—office .....                             | 100   | 98            | 9                | 14   | 71  | 4                                      | 2                              |
| Diagnostic X-ray and laboratory .....                     | 100   | 98            | 29               | ( <sup>7</sup> )                             | 60  | 9                                      | 2                              |
| Prescription drugs—nonhospital .....                      | 100   | 96            | 3                | 32   | 59  | 2                                      | 4                              |
| Private duty nursing .....                                | 100   | 88            | 19               | 1  | 60  | 8                                      | 12                             |
| Mental health care .....                                  | 100   | 97            | ( <sup>7</sup> ) | 22   | 1   | 74                                     | 3                              |
| In hospital .....   | 100   | 96            | 3                | 20   | 9   | 64                                     | 4                              |
| Outpatient .....  | 100   | 94            | 1                | 22   | 2   | 70                                     | 6                              |
| Vision .....  | 100   | 36            | 5                | 29   | 1   | 1                                      | 64                             |
| Alcohol abuse treatment .....                             | 100   | 97            | 2                | 14   | 21  | 60                                     | 3                              |
| Drug abuse treatment .....                                | 100   | 96            | 2                | 14   | 22  | 59                                     | 4                              |
| Hospice .....   | 100   | 47            | 9                | 7  | 19  | 12                                     | 53                             |
| <b>Production and service</b>                             |       |               |                  |  |   |  |                                |
| Hospital room and board .....                             | 100   | 98            | 14               | 5  | 40  | 38                                     | 2                              |
| Hospitalization—miscellaneous services <sup>4</sup> ..... | 100   | 98            | 14               | 5  | 40  | 38                                     | 2                              |
| Extended care facility <sup>5</sup> .....                 | 100   | 80            | 5                | 21   | 13  | 41                                     | 20                             |
| Home health care <sup>5</sup> .....                       | 100   | 70            | 16               | 10   | 18  | 25                                     | 30                             |
| Inpatient surgery .....                                   | 100   | 98            | 33               | 1  | 53  | 12                                     | 2                              |
| Outpatient surgery <sup>6</sup> .....                     | 100   | 98            | 36               | ( <sup>7</sup> )                             | 49  | 12                                     | 2                              |
| Physician visits—in hospital .....                        | 100   | 98            | 20               | 1  | 54  | 23                                     | 2                              |
| Physician visits—office .....                             | 100   | 95            | 8                | 8  | 71  | 7                                      | 5                              |
| Diagnostic X-ray and laboratory .....                     | 100   | 98            | 26               | ( <sup>7</sup> )                             | 56  | 16                                     | 2                              |
| Prescription drugs—nonhospital .....                      | 100   | 94            | 3                | 27   | 62  | 2                                      | 6                              |
| Private duty nursing .....                                | 100   | 84            | 11               | 1  | 65  | 7                                      | 16                             |
| Mental health care .....                                  | 100   | 97            | ( <sup>7</sup> ) | 19   | 1   | 77                                     | 3                              |
| In hospital .....   | 100   | 96            | 3                | 18   | 5   | 70                                     | 4                              |
| Outpatient .....  | 100   | 89            | ( <sup>7</sup> ) | 19   | 3   | 67                                     | 11                             |
| Vision .....  | 100   | 35            | 4                | 29   | 1   | 2                                      | 65                             |
| Alcohol abuse treatment .....                             | 100   | 96            | 1                | 16   | 20  | 60                                     | 4                              |
| Drug abuse treatment .....                                | 100   | 96            | 1                | 15   | 20  | 60                                     | 4                              |
| Hospice .....   | 100   | 36            | 8                | 7  | 9   | 12                                     | 64                             |

<sup>1</sup> For all but vision care, percents include employees who elected to waive participation in their employer's medical program but who enrolled in dental and/or vision plans.

<sup>2</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>3</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>4</sup> Services provided during a hospital confinement.

<sup>5</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>6</sup> Charges incurred in the outpatient department of a hospital and outside of the hospital.

<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 38. Health care benefits: Percent of full-time participants by arrangement for payment to providers and type of financial intermediary, medium and large firms, 1989**

| Fee arrangement and financial intermediary                 | All participants          |                  |                  | Professional and administrative participants |                  |                  | Technical and clerical participants |                  |                  | Production and service participants |                  |                  |
|--|---------------------------|------------------|------------------|--|------------------|------------------|-------------------------------------|------------------|------------------|-------------------------------------|------------------|------------------|
|  | 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 .....                          | 74                        | 91               | 58               | 68   | 92               | 51               | 67                                  | 89               | 53               | 80                                  | 92               | 64               |
| No intermediary--self insured <sup>2</sup> .....           | 32                        | 44               | 27               | 31   | 42               | 26               | 30                                  | 41               | 23               | 35                                  | 46               | 30               |
| Commercial insurance company .....                         | 25                        | 36               | 17               | 24   | 38               | 12               | 24                                  | 36               | 18               | 27                                  | 35               | 19               |
| Blue Cross-Blue Shield .....                               | 14                        | 5                | 4                | 12   | 5                | 3                | 11                                  | 6                | 2                | 17                                  | 5                | 5                |
| Independent organization .....                             | ( <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> )                    | ( <sup>3</sup> ) | ( <sup>3</sup> ) |
| Medical or dental society .....                            | -                         | 5                | 10               | -  | 6                | 10               | -                                   | 5                | 10               | -                                   | 5                | 9                |
| Other .....  | -                         | ( <sup>3</sup> ) | ( <sup>3</sup> ) | -  | ( <sup>3</sup> ) | -                | -                                   | ( <sup>3</sup> ) | ( <sup>3</sup> ) | -                                   | ( <sup>3</sup> ) | 1                |
| Combined .....   | 2                         | ( <sup>3</sup> ) | -                | 1  | ( <sup>3</sup> ) | -                | 1                                   | ( <sup>3</sup> ) | -                | 2                                   | ( <sup>3</sup> ) | -                |
| Preferred provider organization <sup>4</sup> .....         | 10                        | 4                | 9                | 10   | 2                | 7                | 13                                  | 6                | 8                | 8                                   | 4                | 10               |
| No intermediary--self insured <sup>2</sup> .....           | 4                         | 1                | 3                | 4  | 1                | 2                | 7                                   | 1                | 2                | 3                                   | 2                | 4                |
| Commercial insurance company .....                         | 3                         | 1                | 1                | 3  | 1                | 1                | 3                                   | 1                | 1                | 2                                   | 2                | 1                |
| Blue Cross-Blue Shield .....                               | 3                         | ( <sup>3</sup> ) | 3                | 2  | ( <sup>3</sup> ) | 2                | 3                                   | 1                | 3                | 2                                   | ( <sup>3</sup> ) | 3                |
| Independent organization .....                             | ( <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> )                    | ( <sup>3</sup> ) | ( <sup>3</sup> ) |
| Medical or dental society .....                            | -                         | 1                | 2                | -  | 1                | 2                | -                                   | 3                | 2                | -                                   | ( <sup>3</sup> ) | 2                |
| Combined .....   | ( <sup>3</sup> )          | -                | -                | ( <sup>3</sup> )                             | -                | -                | ( <sup>3</sup> )                    | -                | -                | ( <sup>3</sup> )                    | -                | -                |
| Prepaid health maintenance organization <sup>5</sup> ..... | 17                        | 5                | 33               | 21   | 6                | 41               | 20                                  | 5                | 39               | 12                                  | 4                | 25               |
| 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> ) | ( <sup>3</sup> )                    | ( <sup>3</sup> ) | ( <sup>3</sup> ) |
| Commercial insurance company .....                         | 2                         | 1                | 3                | 2  | 1                | 4                | 2                                   | 2                | 3                | 1                                   | ( <sup>3</sup> ) | 2                |
| Blue Cross-Blue Shield .....                               | 1                         | ( <sup>3</sup> ) | 2                | 1  | ( <sup>3</sup> ) | 2                | 1                                   | ( <sup>3</sup> ) | 2                | 1                                   | ( <sup>3</sup> ) | 1                |
| Independent organization .....                             | 14                        | 3                | 28               | 17   | 4                | 34               | 16                                  | 3                | 33               | 10                                  | 2                | 21               |
| Medical or dental society .....                            | -                         | 1                | ( <sup>3</sup> ) | -  | ( <sup>3</sup> ) | ( <sup>3</sup> ) | -                                   | ( <sup>3</sup> ) | ( <sup>3</sup> ) | -                                   | 1                | ( <sup>3</sup> ) |
| Combined .....   | ( <sup>3</sup> )          | -                | ( <sup>3</sup> ) | ( <sup>3</sup> )                             | -                | ( <sup>3</sup> ) | ( <sup>3</sup> )                    | -                | ( <sup>3</sup> ) | ( <sup>3</sup> )                    | -                | ( <sup>3</sup> ) |
| Other <sup>6</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> )                    | ( <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 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-Minimum Premium Plan (ASO-MPP) contracts and plans in which a commercial carrier provides protection only against extraordinary claims.

<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 39. Medical care benefits: Percent of full-time participants in plans with overall limitations on benefits by amount of deductible,<sup>1</sup> medium and large firms, 1989**

| Type and amount of deductible <sup>2</sup>       | All participants |                           |                           | Professional and administrative participants |                           |                           | Technical and clerical participants |                           |                           | Production and service participants |                           |                           |
|--|------------------|---------------------------|---------------------------|--|---------------------------|---------------------------|-------------------------------------|---------------------------|---------------------------|-------------------------------------|---------------------------|---------------------------|
|  | 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              | 82                        | 18                        | 100  | 80                        | 20                        | 100                                 | 82                        | 18                        | 100                                 | 82                        | 18                        |
| Deductible specified .....                       | 95               | 82                        | 14                        | 95   | 80                        | 15                        | 96                                  | 82                        | 15                        | 95                                  | 82                        | 12                        |
| Deductible on an annual basis <sup>3</sup> ..... | 95               | 82                        | 14                        | 95   | 80                        | 15                        | 96                                  | 81                        | 15                        | 95                                  | 82                        | 12                        |
| Based on earnings <sup>4</sup> .....             | 2                | 2                         | ( <sup>5</sup> )          | 3  | 3                         | ( <sup>5</sup> )          | 3                                   | 2                         | ( <sup>5</sup> )          | 2                                   | 2                         | ( <sup>5</sup> )          |
| Flat dollar amount .....                         | 93               | 79                        | 13                        | 92   | 77                        | 15                        | 94                                  | 79                        | 15                        | 93                                  | 81                        | 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> )                    | ( <sup>5</sup> )          | ( <sup>5</sup> )          | ( <sup>5</sup> )                    | ( <sup>5</sup> )          | ( <sup>5</sup> )          |
| \$50 .....                                       | 4                | 2                         | 1                         | 2  | 1                         | 1                         | 3                                   | 2                         | 2                         | 4                                   | 3                         | 1                         |
| \$51-\$99 .....                                  | 2                | 2                         | ( <sup>5</sup> )          | 1  | 1                         | ( <sup>5</sup> )          | 1                                   | ( <sup>5</sup> )          | ( <sup>5</sup> )          | 3                                   | 3                         | ( <sup>5</sup> )          |
| \$100 .....                                      | 34               | 28                        | 6                         | 31   | 26                        | 5                         | 32                                  | 27                        | 5                         | 36                                  | 30                        | 6                         |
| \$101-\$149 .....                                | 1                | 1                         | ( <sup>5</sup> )          | 1  | 1                         | ( <sup>5</sup> )          | 1                                   | 1                         | ( <sup>5</sup> )          | 1                                   | 1                         | ( <sup>5</sup> )          |
| \$150 .....                                      | 16               | 14                        | 2                         | 16   | 12                        | 3                         | 15                                  | 13                        | 2                         | 17                                  | 15                        | 2                         |
| \$151-\$199 .....                                | 1                | 1                         | 1                         | 1  | 1                         | 1                         | 1                                   | ( <sup>5</sup> )          | ( <sup>5</sup> )          | 1                                   | 1                         | 1                         |
| \$200 .....                                      | 21               | 19                        | 2                         | 22   | 19                        | 3                         | 21                                  | 19                        | 2                         | 20                                  | 18                        | 2                         |
| \$201-\$249 .....                                | 1                | ( <sup>5</sup> )          | ( <sup>5</sup> )          | 1  | 1                         | ( <sup>5</sup> )          | 1                                   | ( <sup>5</sup> )          | ( <sup>5</sup> )          | ( <sup>5</sup> )                    | ( <sup>5</sup> )          | ( <sup>5</sup> )          |
| \$250 .....                                      | 5                | 5                         | ( <sup>5</sup> )          | 6  | 6                         | ( <sup>5</sup> )          | 8                                   | 8                         | ( <sup>5</sup> )          | 4                                   | 3                         | ( <sup>5</sup> )          |
| \$251-\$299 .....                                | ( <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> )          |
| \$300 .....                                      | 3                | 2                         | 1                         | 3  | 3                         | 1                         | 5                                   | 3                         | 1                         | 2                                   | 2                         | ( <sup>5</sup> )          |
| Over \$300 .....                                 | 6                | 5                         | ( <sup>5</sup> )          | 6  | 6                         | ( <sup>5</sup> )          | 6                                   | 5                         | ( <sup>5</sup> )          | 5                                   | 5                         | ( <sup>5</sup> )          |
| 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> )          | -                         |
| No deductible .....                              | 5                | -                         | 5                         | 5  | -                         | 5                         | 4                                   | -                         | 4                         | 5                                   | -                         | 5                         |

<sup>1</sup> The deductible is the amount of covered expenses that an individual must pay before any charges are paid by the health 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 40. Medical care benefits: Percent of full-time participants in plans with overall limitations on benefits by coinsurance rate, medium and large firms, 1989**

| Coinsurance amount                     | All participants | Professional and administrative participants | Technical and clerical participants | Production and service participants |
|--|------------------|--|-------------------------------------|-------------------------------------|
| Total .....                            | 100              | 100  | 100                                 | 100                                 |
| With coinsurance <sup>1</sup> .....    | 97               | 96   | 97                                  | 98                                  |
| Coinsurance rate <sup>2</sup> .....    |                  |  |                                     |                                     |
| 80 percent .....                       | 79               | 78   | 77                                  | 81                                  |
| 85 percent .....                       | 4                | 5  | 3                                   | 5                                   |
| 90 percent .....                       | 8                | 9  | 12                                  | 7                                   |
| Other percent .....                    | 3                | 3  | 4                                   | 3                                   |
| Varies <sup>3</sup> .....              | 1                | 1  | 1                                   | 2                                   |
| Without coinsurance <sup>4</sup> ..... | 3                | 4  | 3                                   | 2                                   |

<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> Includes plans that have more than one coinsurance rate. In these cases, the coinsurance rate shown is that which applies to the majority of benefits under the plan. Also includes plans where some benefits have a coinsurance rate while other benefits are not subject to a coinsurance rate. In these cases, the tabulation included the benefits with a coinsurance rate.

<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> 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 41. Medical care benefits: Percent of full-time participants in plans with overall limitations on benefits by maximum out-of-pocket expense provisions, medium and large firms, 1989**

| Provision  | All participants | Professional and administrative participants | Technical and clerical participants | Production and service participants |
|--|------------------|--|-------------------------------------|-------------------------------------|
| Total .....  | 100              | 100  | 100                                 | 100                                 |
| Maximum on annual out-of-pocket expense <sup>1</sup> ..... | 83               | 86   | 86                                  | 81                                  |
| Per individual:  |                  |  |                                     |                                     |
| \$1-\$249 .....  | 1                | 1  | 1                                   | 1                                   |
| \$250-\$499 .....  | 12               | 13   | 12                                  | 11                                  |
| \$500-\$749 .....  | 12               | 14   | 11                                  | 12                                  |
| \$750-\$999 .....  | 12               | 12   | 11                                  | 11                                  |
| \$1,000-\$1,249 .....                                      | 25               | 23   | 27                                  | 25                                  |
| \$1,250-\$1,499 .....                                      | 7                | 7  | 6                                   | 8                                   |
| \$1,500-\$1,999 .....                                      | 6                | 6  | 6                                   | 6                                   |
| \$2,000-\$2,499 .....                                      | 5                | 4  | 7                                   | 4                                   |
| \$2,500 and greater .....                                  | 4                | 5  | 4                                   | 3                                   |
| Per family: <sup>2</sup>                                   |                  |  |                                     |                                     |
| \$1-\$499 .....  | 2                | 1  | 2                                   | 2                                   |
| \$500-\$749 .....  | 2                | 2  | 2                                   | 2                                   |
| \$750-\$999 .....  | 4                | 5  | 3                                   | 3                                   |
| \$1,000-\$1,249 .....                                      | 6                | 8  | 6                                   | 5                                   |
| \$1,250-\$1,499 .....                                      | 1                | 2  | 1                                   | 1                                   |
| \$1,500-\$1,999 .....                                      | 7                | 8  | 8                                   | 6                                   |
| \$2,000-\$2,999 .....                                      | 14               | 15   | 14                                  | 13                                  |
| \$3,000-\$3,999 .....                                      | 9                | 7  | 10                                  | 10                                  |
| \$4,000 and greater .....                                  | 4                | 6  | 5                                   | 3                                   |
| No family maximum .....                                    | 34               | 32   | 35                                  | 35                                  |
| Coinsurance varies by procedure <sup>3</sup> .....         | 1                | 1  | 1                                   | 1                                   |
| No maximum on annual out-of-pocket expenses .....          | 16               | 13   | 13                                  | 18                                  |
| Coinsurance unchanged .....                                | 16               | 13   | 13                                  | 18                                  |
| Final coinsurance changes to other than 100 percent .....  | ( <sup>4</sup> ) | ( <sup>4</sup> )                             | ( <sup>4</sup> )                    | ( <sup>4</sup> )                    |

<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.

<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 rates apply to different categories of care, but covered expenses under all coinsurance rates are limited to a specific dollar amount after which the plan pays 100 percent of additional expenses. Due to the varying coinsurance rates, 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 totals. Where applicable, dash indicates no employees in this category.

**Table 42. 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, medium and large firms, 1989**

| Dollar amount <sup>1</sup>                                       | All participants | Professional and administrative participants | Technical and clerical participants | Production and service participants |
|--|------------------|--|-------------------------------------|-------------------------------------|
| Total .....  | 100              | 100  | 100                                 | 100                                 |
| Plan specifies annual deductible and out-of-pocket maximum ..... | 80               | 83   | 84                                  | 77                                  |
| \$100-\$299 .....  | 1                | ( <sup>2</sup> )                             | ( <sup>2</sup> )                    | 1                                   |
| \$300-\$499 .....  | 3                | 3  | 2                                   | 3                                   |
| \$500-\$699 .....  | 15               | 17   | 14                                  | 13                                  |
| \$700-\$899 .....  | 5                | 6  | 5                                   | 3                                   |
| \$900-\$1,099 .....  | 11               | 11   | 10                                  | 12                                  |
| \$1,100-\$1,299 .....  | 22               | 20   | 24                                  | 22                                  |
| \$1,300-\$1,499 .....  | 4                | 4  | 2                                   | 4                                   |
| \$1,500-\$1,699 .....  | 8                | 8  | 7                                   | 8                                   |
| \$1,700-\$1,899 .....  | 2                | 2  | 2                                   | 2                                   |
| \$1,900-\$2,099 .....  | 2                | 2  | 3                                   | 3                                   |
| \$2,100 and greater .....  | 8                | 9  | 11                                  | 5                                   |
| Based on earnings .....  | 2                | 1  | 2                                   | 2                                   |
| Deductible not on an annual basis ...                            | 3                | 2  | 2                                   | 4                                   |
| Plan does not specify maximum annual out-of-pocket expense ..... | 17               | 14   | 14                                  | 19                                  |

<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> 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 overall limitations on benefits by maximum benefit provisions, medium and large firms, 1989**

| Type and dollar amount of maximum <sup>1</sup>        | All participants | Professional and administrative participants | Technical and clerical participants | Production and service participants |
|---|------------------|--|-------------------------------------|-------------------------------------|
| Total .....   | 100              | 100  | 100                                 | 100                                 |
| With maximum limits .....                             | 79               | 76   | 78                                  | 81                                  |
| Lifetime maximum only .....                           | 71               | 71   | 71                                  | 70                                  |
| Less than \$100,000 .....                             | 3                | 1  | 1                                   | 5                                   |
| \$100,000 .....                                       | 1                | 1  | 2                                   | 1                                   |
| \$100,001-\$249,999 .....                             | 1                | 1  | ( <sup>2</sup> )                    | 1                                   |
| \$250,000 .....                                       | 6                | 7  | 5                                   | 5                                   |
| \$250,001-\$499,999 .....                             | 3                | 2  | 1                                   | 4                                   |
| \$500,000 .....                                       | 12               | 10   | 10                                  | 14                                  |
| \$500,001-\$999,999 .....                             | 3                | 4  | 3                                   | 3                                   |
| \$1,000,000 .....                                     | 40               | 43   | 46                                  | 35                                  |
| More than \$1,000,000 .....                           | 2                | 3  | 3                                   | 1                                   |
| Annual or disability maximum only .....               | 2                | 1  | 2                                   | 2                                   |
| Both lifetime and annual or disability maximums ..... | 6                | 4  | 5                                   | 8                                   |
| Other maximum .....                                   | ( <sup>2</sup> ) | ( <sup>2</sup> )                             | ( <sup>2</sup> )                    | ( <sup>2</sup> )                    |
| Without maximum limits .....                          | 21               | 24   | 22                                  | 19                                  |

<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 44. Medical care benefits: Percent of full-time participants in plans with hospital room and board coverage by type of benefit payments, medium and large firms, 1989**

| Type of payment   | All participants | Professional and administrative participants | Technical and clerical participants | Production and service participants |
|---|------------------|--|-------------------------------------|-------------------------------------|
| Total .....   | 100              | 100  | 100                                 | 100                                 |
| Full semiprivate rate <sup>1</sup> .....  | 28               | 34   | 30                                  | 24                                  |
| Full semiprivate rate for limited period, then percent of semiprivate rate .....          | 22               | 20   | 17                                  | 26                                  |
| 80 percent .....  | 21               | 19   | 17                                  | 25                                  |
| 85 percent .....  | ( <sup>2</sup> ) | 1  | ( <sup>2</sup> )                    | ( <sup>2</sup> )                    |
| 90 percent .....  | ( <sup>2</sup> ) | ( <sup>2</sup> )                             | ( <sup>2</sup> )                    | ( <sup>2</sup> )                    |
| Other .....   | ( <sup>2</sup> ) | ( <sup>2</sup> )                             | ( <sup>2</sup> )                    | ( <sup>2</sup> )                    |
| Varies .....  | ( <sup>2</sup> ) | -  | -                                   | ( <sup>2</sup> )                    |
| Percent of semiprivate rate .....   | 47               | 45   | 50                                  | 47                                  |
| 80 percent .....  | 35               | 33   | 36                                  | 36                                  |
| 85 percent .....  | 2                | 2  | 1                                   | 3                                   |
| 90 percent .....  | 6                | 7  | 8                                   | 5                                   |
| 95 percent .....  | ( <sup>2</sup> ) | ( <sup>2</sup> )                             | ( <sup>2</sup> )                    | ( <sup>2</sup> )                    |
| Other .....   | 2                | 2  | 3                                   | 2                                   |
| Varies .....  | 1                | 1  | 1                                   | 1                                   |
| Percent of semiprivate rate for limited period, then overall coinsurance provisions ..... | ( <sup>2</sup> ) | ( <sup>2</sup> )                             | ( <sup>2</sup> )                    | ( <sup>2</sup> )                    |
| Daily dollar allowance .....  | ( <sup>2</sup> ) | -  | -                                   | ( <sup>2</sup> )                    |
| Daily dollar allowance, plus percent of additional charges .....                          | 2                | 1  | 2                                   | 3                                   |

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

<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 45. Medical care benefits: Percent of full-time participants in plans with in-hospital surgical benefits by type of payment, medium and large firms, 1989**

| Type of payment  | All participants | Professional and administrative participants | Technical and clerical participants | Production and service participants |
|--|------------------|--|-------------------------------------|-------------------------------------|
| Total .....  | 100              | 100  | 100                                 | 100                                 |
| Full usual, customary, and reasonable charge <sup>1</sup> .....  | 33               | 35   | 32                                  | 33                                  |
| Full usual, customary, and reasonable charge up to a specified amount, plus percent of additional charges .....              | 1                | 2  | 1                                   | 1                                   |
| Full usual, customary, and reasonable charge up to a specified amount .....  | ( <sup>2</sup> ) | ( <sup>2</sup> )                             | ( <sup>2</sup> )                    | ( <sup>2</sup> )                    |
| Percent of usual, customary, and reasonable charge:  |                  |  |                                     |                                     |
| 80 percent .....   | 41               | 41   | 43                                  | 40                                  |
| 85 percent .....   | 3                | 2  | 2                                   | 3                                   |
| 90 percent .....   | 7                | 7  | 9                                   | 6                                   |
| 95 percent .....   | ( <sup>2</sup> ) | ( <sup>2</sup> )                             | ( <sup>2</sup> )                    | ( <sup>2</sup> )                    |
| Other percent .....  | 8                | 9  | 8                                   | 7                                   |
| Percent of usual, customary, and reasonable charge plus percent of additional charges based on plan's coinsurance rate ..... | 1                | 1  | 1                                   | 2                                   |
| Dollar allowance per procedure, plus percent of additional charges:  |                  |  |                                     |                                     |
| 80 percent .....   | 6                | 3  | 4                                   | 8                                   |
| Other percent .....  | ( <sup>2</sup> ) | ( <sup>2</sup> )                             | ( <sup>2</sup> )                    | ( <sup>2</sup> )                    |
| Dollar allowance per procedure .....   | ( <sup>2</sup> ) | ( <sup>2</sup> )                             | ( <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.

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 in-hospital surgical benefits by comparison with outpatient surgical coverage, medium and large firms, 1989**

| Outpatient surgery                                   | All participants | Professional and administrative participants | Technical and clerical participants | Production and service participants |
|--|------------------|--|-------------------------------------|-------------------------------------|
| Total .....  | 100              | 100  | 100                                 | 100                                 |
| Coverage the same as in-hospital surgery .....       | 74               | 76   | 71                                  | 75                                  |
| Coverage differs from in-hospital surgery .....      | 26               | 24   | 29                                  | 25                                  |
| Coinsurance rate higher for outpatient surgery ..... | 21               | 21   | 23                                  | 20                                  |
| 100 percent .....                                    | 20               | 20   | 23                                  | 18                                  |
| 90 percent or 95 percent .....                       | 1                | 1  | 1                                   | 2                                   |
| Other differences <sup>1</sup> .....                 | 5                | 3  | 5                                   | 6                                   |

<sup>1</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 47. Medical care benefits: Percent of full-time participants in plans with in-hospital surgical benefits by second surgical opinion provisions, medium and large firms, 1989**

| Item  | All participants | Professional and administrative participants | Technical and clerical participants | Production and service participants |
|---|------------------|--|-------------------------------------|-------------------------------------|
| Total .....   | 100              | 100  | 100                                 | 100                                 |
| With second surgical opinion provision .....                              | 58               | 60   | 59                                  | 57                                  |
| Plan pays for, but does not provide incentives for, second opinions ..... | 22               | 22   | 23                                  | 21                                  |
| Plan provides incentives for second opinions .....                        | 36               | 38   | 36                                  | 36                                  |
| For selected procedures <sup>1</sup> .....                                | 29               | 28   | 28                                  | 30                                  |
| No payment without second opinion .....                                   | 1                | ( <sup>2</sup> )                             | ( <sup>2</sup> )                    | 1                                   |
| Reduced coinsurance without second opinion .....                          | 28               | 28   | 28                                  | 29                                  |
| For all procedures .....  | 5                | 6  | 5                                   | 4                                   |
| Reduced coinsurance without second opinion .....                          | 1                | 1  | 2                                   | ( <sup>2</sup> )                    |
| Schedule of payments lower without second opinion .....                   | 1                | 2  | 1                                   | 1                                   |
| Other lower payments .....  | 3                | 3  | 2                                   | 3                                   |
| Details of incentive not available .....                                  | 2                | 3  | 2                                   | 2                                   |
| Without second surgical opinion provision .....                           | 42               | 40   | 41                                  | 43                                  |

<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 48. Medical care benefits: Percent of full-time participants in plans with mental health benefits by extent of benefits, medium and large firms, 1989**

| Coverage limitation                                    | All participants           |                              | Professional and administrative participants |                              | Technical and clerical participants |                              | Production and service participants |                              |
|--|----------------------------|------------------------------|--|------------------------------|-------------------------------------|------------------------------|-------------------------------------|------------------------------|
|  | 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 .....                                    | 98                         | 95                           | 98   | 98                           | 98                                  | 97                           | 98                                  | 91                           |
| Covered the same as other illnesses .....              | 21                         | 2                            | 22   | 2                            | 22                                  | 2                            | 19                                  | 2                            |
| Subject to separate limitations <sup>3</sup> .....     | 77                         | 92                           | 76   | 96                           | 76                                  | 95                           | 79                                  | 89                           |
| Limit on days .....                                    | 49                         | 34                           | 49   | 39                           | 46                                  | 37                           | 50                                  | 31                           |
| Per year .....   | 38                         | 34                           | 40   | 39                           | 37                                  | 36                           | 37                                  | 30                           |
| Per confinement .....                                  | 9                          | ( <sup>4</sup> )             | 7  | ( <sup>4</sup> )             | 8                                   | 1                            | 11                                  | ( <sup>4</sup> )             |
| Per lifetime .....                                     | 2                          | ( <sup>4</sup> )             | 2  | ( <sup>4</sup> )             | 1                                   | ( <sup>4</sup> )             | 2                                   | ( <sup>4</sup> )             |
| Per other period .....                                 | -                          | ( <sup>4</sup> )             | -  | ( <sup>4</sup> )             | -                                   | ( <sup>4</sup> )             | -                                   | -                            |
| Limit on dollars .....                                 | 38                         | 66                           | 36   | 64                           | 39                                  | 66                           | 40                                  | 68                           |
| Per day .....  | ( <sup>4</sup> )           | 5                            | ( <sup>4</sup> )                             | 4                            | ( <sup>4</sup> )                    | 5                            | ( <sup>4</sup> )                    | 7                            |
| Per year .....   | 5                          | 29                           | 4  | 27                           | 3                                   | 27                           | 6                                   | 32                           |
| Per confinement .....                                  | ( <sup>4</sup> )           | -                            | ( <sup>4</sup> )                             | -                            | ( <sup>4</sup> )                    | -                            | -                                   | -                            |
| Per lifetime .....                                     | 33                         | 31                           | 32   | 32                           | 35                                  | 35                           | 33                                  | 28                           |
| Per other period .....                                 | ( <sup>4</sup> )           | 1                            | ( <sup>4</sup> )                             | ( <sup>4</sup> )             | ( <sup>4</sup> )                    | ( <sup>4</sup> )             | 1                                   | 1                            |
| Coinsurance limit .....                                | 9                          | 56                           | 11   | 56                           | 11                                  | 55                           | 7                                   | 57                           |
| 50 percent .....                                       | 4                          | 43                           | 5  | 42                           | 5                                   | 41                           | 3                                   | 44                           |
| Other <sup>5</sup> .....                               | 5                          | 13                           | 7  | 14                           | 6                                   | 14                           | 4                                   | 13                           |
| Ceiling on out-of-pocket expenses does not apply ..... | 15                         | 41                           | 15   | 42                           | 17                                  | 45                           | 14                                  | 40                           |
| Separate copayment or deductible .....                 | 1                          | 14                           | 1  | 18                           | 1                                   | 17                           | 1                                   | 10                           |
| Other limitations .....                                | ( <sup>4</sup> )           | ( <sup>4</sup> )             | 1  | ( <sup>4</sup> )             | 1                                   | ( <sup>4</sup> )             | ( <sup>4</sup> )                    | ( <sup>4</sup> )             |
| Without coverage .....                                 | 2                          | 5                            | 2  | 2                            | 2                                   | 3                            | 2                                   | 9                            |

<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> 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 49. Medical care benefits: Percent of full-time participants in plans with alcohol abuse treatment benefits by extent of benefits, medium and large firms, 1989**

| Coverage limitation                                    | All participants                      |                                       |                               | Professional and administrative participants |                                       |                               | Technical and clerical participants   |                                       |                               | Production and service participants   |                                       |                               |
|--|---------------------------------------|---------------------------------------|-------------------------------|--|---------------------------------------|-------------------------------|---------------------------------------|---------------------------------------|-------------------------------|---------------------------------------|---------------------------------------|-------------------------------|
|  | 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                                   | 68                                    | 61                            | 100  | 68                                    | 62                            | 100                                   | 64                                    | 61                            | 100                                   | 70                                    | 61                            |
| Covered the same as other illnesses                    | 43                                    | 9                                     | 8                             | 44   | 9                                     | 7                             | 47                                    | 11                                    | 8                             | 41                                    | 8                                     | 8                             |
| Covered the same as mental illness                     | ( <sup>4</sup> )                      | ( <sup>4</sup> )                      | ( <sup>4</sup> )              | ( <sup>4</sup> )                             | ( <sup>4</sup> )                      | 1                             | ( <sup>4</sup> )                      | ( <sup>4</sup> )                      | 1                             | ( <sup>4</sup> )                      | ( <sup>4</sup> )                      | ( <sup>4</sup> )              |
| Subject to separate limitations <sup>5</sup> .....     | 56                                    | 59                                    | 53                            | 55   | 59                                    | 54                            | 52                                    | 54                                    | 52                            | 59                                    | 61                                    | 52                            |
| Limit on days .....                                    | 42                                    | 46                                    | 22                            | 41   | 46                                    | 22                            | 37                                    | 40                                    | 19                            | 45                                    | 48                                    | 23                            |
| Per year .....   | 27                                    | 31                                    | 20                            | 28   | 34                                    | 21                            | 25                                    | 28                                    | 18                            | 29                                    | 32                                    | 20                            |
| Per confinement .....                                  | 15                                    | 12                                    | 2                             | 13   | 11                                    | 1                             | 12                                    | 10                                    | 2                             | 18                                    | 15                                    | 2                             |
| Per lifetime .....                                     | 11                                    | 14                                    | 6                             | 12   | 15                                    | 5                             | 11                                    | 13                                    | 4                             | 12                                    | 14                                    | 8                             |
| Limit on dollars .....                                 | 23                                    | 23                                    | 36                            | 22   | 22                                    | 36                            | 24                                    | 22                                    | 36                            | 23                                    | 23                                    | 35                            |
| Per day .....  | ( <sup>4</sup> )                      | 1                                     | 6                             | ( <sup>4</sup> )                             | 1                                     | 5                             | ( <sup>4</sup> )                      | ( <sup>4</sup> )                      | 7                             | ( <sup>4</sup> )                      | ( <sup>4</sup> )                      | 5                             |
| Per year .....   | 7                                     | 6                                     | 25                            | 7  | 6                                     | 26                            | 6                                     | 5                                     | 25                            | 8                                     | 7                                     | 25                            |
| Per confinement .....                                  | ( <sup>4</sup> )                      | ( <sup>4</sup> )                      | -                             | ( <sup>4</sup> )                             | ( <sup>4</sup> )                      | -                             | ( <sup>4</sup> )                      | ( <sup>4</sup> )                      | -                             | ( <sup>4</sup> )                      | ( <sup>4</sup> )                      | -                             |
| Per lifetime .....                                     | 19                                    | 18                                    | 18                            | 19   | 17                                    | 18                            | 21                                    | 18                                    | 20                            | 18                                    | 17                                    | 17                            |
| Per other period .....                                 | 1                                     | 1                                     | 2                             | 1  | 1                                     | 1                             | 1                                     | 1                                     | 2                             | 1                                     | 1                                     | 2                             |
| Coinsurance limit <sup>6</sup> .....                   | 6                                     | 6                                     | 18                            | 7  | 7                                     | 18                            | 7                                     | 6                                     | 18                            | 6                                     | 5                                     | 18                            |
| Ceiling on out-of-pocket expenses does not apply ..... | 9                                     | 8                                     | 18                            | 9  | 8                                     | 18                            | 11                                    | 10                                    | 21                            | 8                                     | 7                                     | 17                            |
| Separate copayment or deductible .....                 | 1                                     | 1                                     | 6                             | 1  | 1                                     | 8                             | 1                                     | 1                                     | 7                             | 1                                     | 1                                     | 4                             |
| Other limitations .....                                | ( <sup>4</sup> )                      | ( <sup>4</sup> )                      | ( <sup>4</sup> )              | ( <sup>4</sup> )                             | ( <sup>4</sup> )                      | ( <sup>4</sup> )              | ( <sup>4</sup> )                      | ( <sup>4</sup> )                      | ( <sup>4</sup> )              | ( <sup>4</sup> )                      | ( <sup>4</sup> )                      | ( <sup>4</sup> )              |
| Without coverage .....                                 | ( <sup>4</sup> )                      | 32                                    | 39                            | ( <sup>4</sup> )                             | 32                                    | 38                            | ( <sup>4</sup> )                      | 36                                    | 39                            | ( <sup>4</sup> )                      | 30                                    | 39                            |

<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> Less than 0.5 percent.

<sup>5</sup> The total is less than the sum of the individual items because many plans had more than one type of limitation.

<sup>6</sup> Coinsurance rate is lower than that applying to other medical services.

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 plans with drug abuse treatment benefits by extent of benefits, medium and large firms, 1989**

| Coverage limitation                                    | All participants                      |                                       |                               | Professional and administrative participants |                                       |                               | Technical and clerical participants   |                                       |                               | Production and service participants   |                                       |                               |
|--|---------------------------------------|---------------------------------------|-------------------------------|--|---------------------------------------|-------------------------------|---------------------------------------|---------------------------------------|-------------------------------|---------------------------------------|---------------------------------------|-------------------------------|
|  | 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                                   | 64                                    | 58                            | 100  | 64                                    | 59                            | 100                                   | 60                                    | 58                            | 100                                   | 65                                    | 58                            |
| Covered the same as other illnesses                    | 45                                    | 8                                     | 7                             | 45   | 8                                     | 7                             | 48                                    | 9                                     | 7                             | 43                                    | 7                                     | 7                             |
| Covered the same as mental illness                     | ( <sup>4</sup> )                      | ( <sup>4</sup> )                      | ( <sup>4</sup> )              | ( <sup>4</sup> )                             | ( <sup>4</sup> )                      | 1                             | ( <sup>4</sup> )                      | ( <sup>4</sup> )                      | 1                             | ( <sup>4</sup> )                      | ( <sup>4</sup> )                      | ( <sup>4</sup> )              |
| Subject to separate limitations <sup>5</sup> .....     | 55                                    | 55                                    | 51                            | 54   | 56                                    | 52                            | 52                                    | 51                                    | 50                            | 57                                    | 58                                    | 50                            |
| Limit on days .....                                    | 40                                    | 42                                    | 20                            | 40   | 43                                    | 21                            | 36                                    | 37                                    | 18                            | 43                                    | 44                                    | 21                            |
| Per year .....   | 26                                    | 28                                    | 18                            | 27   | 31                                    | 19                            | 24                                    | 26                                    | 17                            | 26                                    | 29                                    | 19                            |
| Per confinement .....                                  | 15                                    | 12                                    | 2                             | 13   | 10                                    | 1                             | 12                                    | 10                                    | 2                             | 17                                    | 14                                    | 2                             |
| Per lifetime .....                                     | 11                                    | 13                                    | 5                             | 11   | 13                                    | 4                             | 10                                    | 11                                    | 3                             | 11                                    | 13                                    | 7                             |
| Limit on dollars .....                                 | 23                                    | 23                                    | 35                            | 23   | 23                                    | 35                            | 24                                    | 22                                    | 36                            | 23                                    | 23                                    | 34                            |
| Per day .....  | ( <sup>4</sup> )                      | 1                                     | 6                             | ( <sup>4</sup> )                             | 1                                     | 5                             | ( <sup>4</sup> )                      | ( <sup>4</sup> )                      | 7                             | ( <sup>4</sup> )                      | ( <sup>4</sup> )                      | 6                             |
| Per year .....   | 7                                     | 6                                     | 24                            | 7  | 6                                     | 25                            | 6                                     | 5                                     | 24                            | 8                                     | 7                                     | 24                            |
| Per confinement .....                                  | ( <sup>4</sup> )                      | ( <sup>4</sup> )                      | -                             | ( <sup>4</sup> )                             | ( <sup>4</sup> )                      | -                             | ( <sup>4</sup> )                      | ( <sup>4</sup> )                      | -                             | ( <sup>4</sup> )                      | ( <sup>4</sup> )                      | -                             |
| Per lifetime .....                                     | 19                                    | 18                                    | 18                            | 19   | 18                                    | 18                            | 21                                    | 18                                    | 20                            | 18                                    | 18                                    | 18                            |
| Per other period .....                                 | 1                                     | 1                                     | 2                             | 1  | 1                                     | 1                             | 1                                     | 1                                     | 2                             | 1                                     | 1                                     | 2                             |
| Coinsurance limit <sup>6</sup> .....                   | 6                                     | 6                                     | 18                            | 7  | 7                                     | 18                            | 7                                     | 6                                     | 18                            | 6                                     | 5                                     | 19                            |
| Ceiling on out-of-pocket expenses does not apply ..... | 9                                     | 8                                     | 18                            | 9  | 8                                     | 18                            | 11                                    | 10                                    | 20                            | 8                                     | 7                                     | 17                            |
| Separate copayment or deductible .....                 | 1                                     | 1                                     | 6                             | 1  | 1                                     | 8                             | 1                                     | 1                                     | 7                             | 1                                     | 1                                     | 5                             |
| Other limitations .....                                | ( <sup>4</sup> )                      | ( <sup>4</sup> )                      | ( <sup>4</sup> )              | ( <sup>4</sup> )                             | ( <sup>4</sup> )                      | ( <sup>4</sup> )              | ( <sup>4</sup> )                      | ( <sup>4</sup> )                      | ( <sup>4</sup> )              | ( <sup>4</sup> )                      | ( <sup>4</sup> )                      | ( <sup>4</sup> )              |
| Without coverage .....                                 | ( <sup>4</sup> )                      | 36                                    | 42                            | ( <sup>4</sup> )                             | 36                                    | 41                            | ( <sup>4</sup> )                      | 40                                    | 42                            | ( <sup>4</sup> )                      | 35                                    | 42                            |

<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> Less than 0.5 percent.

<sup>5</sup> The total is less than the sum of the individual items because many plans had more than one type of limitation.

<sup>6</sup> Coinsurance rate is lower than that applying to other medical services.

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 health maintenance organizations by selected plan features, medium and large firms, 1989**

| Item  | All participants | Professional and administrative participants | Technical and clerical participants | Production and service participants |
|---|------------------|--|-------------------------------------|-------------------------------------|
| <b>Extended care facilities</b>               |                  |  |                                     |                                     |
| Total .....                                   | 100              | 100  | 100                                 | 100                                 |
| Provided coverage .....                       | 93               | 94   | 94                                  | 92                                  |
| Limited number of days .....                  | 61               | 64   | 60                                  | 58                                  |
| Unlimited number of days .....                | 32               | 30   | 34                                  | 34                                  |
| Not provided coverage .....                   | 7                | 6  | 6                                   | 8                                   |
| <b>Physician's office visits</b>              |                  |  |                                     |                                     |
| Total .....                                   | 100              | 100  | 100                                 | 100                                 |
| Provided coverage .....                       | 100              | 100  | 100                                 | 100                                 |
| Subject to copayment per visit .....          | 55               | 57   | 60                                  | 49                                  |
| \$1 per visit .....                           | 2                | 2  | 3                                   | 1                                   |
| \$2 per visit .....                           | 8                | 8  | 9                                   | 9                                   |
| \$3 per visit .....                           | 11               | 12   | 10                                  | 9                                   |
| \$4 per visit .....                           | 2                | 2  | 3                                   | 1                                   |
| \$5 per visit .....                           | 27               | 28   | 30                                  | 24                                  |
| More than \$5 per visit .....                 | 6                | 6  | 5                                   | 6                                   |
| Subject to other limits <sup>1</sup> .....    | 1                | 1  | 1                                   | 1                                   |
| Covered in full .....                         | 44               | 42   | 39                                  | 50                                  |
| <b>Outpatient prescription drugs</b>          |                  |  |                                     |                                     |
| Total .....                                   | 100              | 100  | 100                                 | 100                                 |
| Provided coverage .....                       | 90               | 92   | 90                                  | 88                                  |
| Subject to a copayment per prescription ..... | 75               | 75   | 75                                  | 73                                  |
| Less than \$1 per prescription .....          | ( <sup>2</sup> ) | ( <sup>2</sup> )                             | ( <sup>2</sup> )                    | ( <sup>2</sup> )                    |
| \$1 - \$1.99 per prescription .....           | 4                | 4  | 5                                   | 4                                   |
| \$2 - \$2.99 per prescription .....           | 17               | 14   | 16                                  | 20                                  |
| \$3 - \$3.99 per prescription .....           | 26               | 30   | 26                                  | 23                                  |
| \$4 - \$4.99 per prescription .....           | 7                | 7  | 6                                   | 9                                   |
| \$5 or more per prescription .....            | 20               | 20   | 22                                  | 18                                  |
| Subject to other limits <sup>1</sup> .....    | 7                | 8  | 6                                   | 7                                   |
| Covered in full .....                         | 9                | 9  | 8                                   | 8                                   |
| Not provided coverage .....                   | 10               | 8  | 10                                  | 12                                  |

<sup>1</sup> Includes plans that require participants to pay a percentage of the charges incurred.

<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 52. Medical care benefits: Percent of full-time participants by coverage with selected cost containment features, medium and large firms, 1989**

| Cost containment feature   | All participants | Professional and administrative participants | Technical and clerical participants | Production and service participants | Cost containment feature                                     | All participants | Professional and administrative participants | Technical and clerical participants | Production and service participants |
|--|------------------|--|-------------------------------------|-------------------------------------|--|------------------|--|-------------------------------------|-------------------------------------|
| <b>All medical plans<sup>1</sup></b>   |                  |  |                                     |                                     | <b>Fee-for-service plans—Continued</b>                       |                  |  |                                     |                                     |
| Higher rate of payment for generic prescription drugs .....                      | 14               | 15   | 18                                  | 12                                  | Incentive for prehospitalization testing .....               | 49               | 50   | 53                                  | 47                                  |
| Higher rate of payment for mail order drugs .....                                | 10               | 9  | 10                                  | 10                                  | Prehospital admission certification requirement .....        | 50               | 53   | 51                                  | 49                                  |
| No or limited reimbursement for nonemergency weekend admission to hospital ..... | 12               | 11   | 11                                  | 13                                  | Higher rate of payment for delivery at birthing center ..... | 22               | 28   | 26                                  | 18                                  |
| Separate deductible for hospital admission .....                                 | 10               | 9  | 11                                  | 9                                   | Incentive to audit hospital statement                        | 7                | 9  | 8                                   | 6                                   |
| Incentive for prehospitalization testing .....                                   | 42               | 41   | 44                                  | 41                                  | Care subject to utilization review .....                     | 27               | 29   | 31                                  | 25                                  |
| Prehospital admission certification requirement .....                            | 44               | 44   | 42                                  | 45                                  | <b>Health maintenance organizations</b>                      |                  |  |                                     |                                     |
| Higher rate of payment for delivery at birthing center .....                     | 20               | 22   | 23                                  | 16                                  | Higher rate of payment for generic prescription drugs .....  | 9                | 10   | 12                                  | 5                                   |
| Incentive to audit hospital statement  | 5                | 6  | 6                                   | 5                                   | Higher rate of payment for mail order drugs .....            | 6                | 5  | 10                                  | 4                                   |
| Care subject to utilization review .....   | 23               | 24   | 24                                  | 23                                  | Separate deductible for hospital admission .....             | 5                | 6  | 5                                   | 4                                   |
| <b>Fee-for-service plans</b>   |                  |  |                                     |                                     | Incentive for prehospitalization testing .....               | 4                | 5  | 5                                   | 3                                   |
| Higher rate of payment for generic prescription drugs .....                      | 15               | 16   | 15                                  | 14                                  | Prehospital admission certification requirement .....        | 5                | 5  | 8                                   | 3                                   |
| Higher rate of payment for mail order drugs .....                                | 10               | 10   | 8                                   | 10                                  | Higher rate of payment for delivery at birthing center ..... | 2                | 3  | 2                                   | 2                                   |
| No or limited reimbursement for nonemergency weekend admission to hospital ..... | 14               | 15   | 14                                  | 14                                  | Care subject to utilization review .....                     | 2                | 2  | 2                                   | 2                                   |
| Separate deductible for hospital admission .....                                 | 10               | 10   | 10                                  | 10                                  |  |                  |  |                                     |                                     |

<sup>1</sup> Data were insufficient to show preferred provider and exclusive provider organizations separately.

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

**Table 53. Medical care benefits<sup>1</sup>: Percent of full-time participants by type of plan and coverage for selected special benefits, medium and large firms, 1989**

| Benefit item                           | All plans | Health maintenance organizations | Non-health maintenance organizations |
|--|-----------|----------------------------------|--------------------------------------|
| <b>All participants</b>                |           |                                  |                                      |
| Hearing care <sup>2</sup> .....        | 26        | 93                               | 12                                   |
| Orthoptics <sup>3</sup> .....          | 3         | (*)                              | 4                                    |
| Routine physical examinations .....    | 28        | 97                               | 14                                   |
| Organ transplant .....                 | 26        | 23                               | 26                                   |
| Well-baby care .....                   | 34        | 95                               | 22                                   |
| Immunization and inoculation .....     | 28        | 98                               | 14                                   |
| <b>Professional and administrative</b> |           |                                  |                                      |
| Hearing care <sup>2</sup> .....        | 29        | 92                               | 12                                   |
| Orthoptics <sup>3</sup> .....          | 3         | (*)                              | 4                                    |
| Routine physical examinations .....    | 34        | 98                               | 17                                   |
| Organ transplant .....                 | 24        | 23                               | 24                                   |
| Well-baby care .....                   | 40        | 96                               | 25                                   |
| Immunization and inoculation .....     | 33        | 98                               | 15                                   |
| <b>Technical and clerical</b>          |           |                                  |                                      |
| Hearing care <sup>2</sup> .....        | 25        | 94                               | 8                                    |
| Orthoptics <sup>3</sup> .....          | 3         | (*)                              | 4                                    |
| Routine physical examinations .....    | 31        | 97                               | 14                                   |
| Organ transplant .....                 | 24        | 22                               | 25                                   |
| Well-baby care .....                   | 40        | 96                               | 26                                   |
| Immunization and inoculation .....     | 29        | 98                               | 12                                   |
| <b>Production and service</b>          |           |                                  |                                      |
| Hearing care <sup>2</sup> .....        | 24        | 94                               | 14                                   |
| Orthoptics <sup>3</sup> .....          | 4         | -                                | 4                                    |
| Routine physical examinations .....    | 24        | 97                               | 13                                   |
| Organ transplant .....                 | 27        | 23                               | 28                                   |
| Well-baby care .....                   | 27        | 92                               | 18                                   |
| Immunization and inoculation .....     | 25        | 98                               | 14                                   |

<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> Plan provides, 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.

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

**Table 54. Medical care benefits: Percent of full-time participants in plans with vision benefits by extent of coverage for selected benefits, medium and large firms, 1989**

| 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   | 97      | 28              | 63                         | 33                  | 3           | 30        | -                            | 5                                   | 3           | -                |
| Eyeglasses .....                       | 100   | 68      | 9               | 58                         | 39                  | 2           | 14        | 5                            | 1                                   | 31          | 1                |
| Contact lenses <sup>3</sup> .....      | 100   | 66      | 4               | 60                         | 44                  | 8           | 9         | 4                            | 1                                   | 34          | ( <sup>4</sup> ) |
| <b>Professional and administrative</b> |       |         |                 |                            |                     |             |           |                              |                                     |             |                  |
| Examinations .....                     | 100   | 96      | 31              | 60                         | 29                  | 4           | 30        | -                            | 6                                   | 4           | -                |
| Eyeglasses .....                       | 100   | 63      | 8               | 52                         | 36                  | 3           | 11        | 6                            | 2                                   | 36          | 1                |
| Contact lenses <sup>3</sup> .....      | 100   | 61      | 6               | 53                         | 40                  | 10          | 5         | 5                            | 2                                   | 38          | 1                |
| <b>Technical and clerical</b>          |       |         |                 |                            |                     |             |           |                              |                                     |             |                  |
| Examinations .....                     | 100   | 92      | 25              | 63                         | 30                  | 2           | 33        | -                            | 5                                   | 8           | -                |
| Eyeglasses .....                       | 100   | 62      | 7               | 54                         | 36                  | 2           | 12        | 6                            | 1                                   | 36          | 2                |
| Contact lenses <sup>3</sup> .....      | 100   | 64      | 5               | 58                         | 39                  | 10          | 8         | 6                            | 2                                   | 36          | ( <sup>4</sup> ) |
| <b>Production and service</b>          |       |         |                 |                            |                     |             |           |                              |                                     |             |                  |
| Examinations .....                     | 100   | 99      | 29              | 66                         | 37                  | 2           | 28        | -                            | 5                                   | 1           | -                |
| Eyeglasses .....                       | 100   | 74      | 10              | 63                         | 42                  | 2           | 18        | 4                            | 1                                   | 26          | ( <sup>4</sup> ) |
| Contact lenses <sup>3</sup> .....      | 100   | 69      | 3               | 65                         | 49                  | 5           | 13        | 3                            | ( <sup>4</sup> )                    | 30          | ( <sup>4</sup> ) |

<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> Includes plans where coverage was subject to special conditions, for example, following cataract surgery.

<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 55. Medical care benefits: Percent of full-time participants in contributory plans<sup>1</sup> by type and amount of employee contribution, medium and large firms, 1989**

| 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 .....                    | 80                | 80                           | 79                               | 80                           | 80                                   | 81                           |
| Less than \$5.00 .....                       | 5                 | 1                            | 4                                | ( <sup>3</sup> )             | 5                                    | 2                            |
| \$5.00-\$9.99 .....                          | 9                 | 4                            | 12                               | 3                            | 9                                    | 5                            |
| \$10.00-\$14.99 .....                        | 16                | 4                            | 19                               | 4                            | 16                                   | 4                            |
| \$15.00-\$19.99 .....                        | 11                | 4                            | 8                                | 3                            | 12                                   | 4                            |
| \$20.00-\$29.99 .....                        | 16                | 7                            | 16                               | 5                            | 16                                   | 7                            |
| \$30.00-\$39.99 .....                        | 9                 | 6                            | 12                               | 6                            | 8                                    | 6                            |
| \$40.00-\$49.99 .....                        | 3                 | 6                            | 2                                | 9                            | 3                                    | 5                            |
| \$50.00-\$59.99 .....                        | 1                 | 5                            | 3                                | 4                            | 1                                    | 6                            |
| \$60.00-\$69.99 .....                        | ( <sup>3</sup> )  | 8                            | 1                                | 7                            | ( <sup>3</sup> )                     | 8                            |
| \$70.00-\$79.99 .....                        | ( <sup>3</sup> )  | 5                            | ( <sup>3</sup> )                 | 7                            | ( <sup>3</sup> )                     | 4                            |
| \$80.00-\$89.99 .....                        | 6                 | 5                            | ( <sup>3</sup> )                 | 7                            | 8                                    | 4                            |
| \$90.00-\$99.99 .....                        | -                 | 4                            | -                                | 5                            | -                                    | 3                            |
| \$100.00-\$124.99 .....                      | ( <sup>3</sup> )  | 6                            | ( <sup>3</sup> )                 | 5                            | ( <sup>3</sup> )                     | 6                            |
| \$125.00-\$149.99 .....                      | ( <sup>3</sup> )  | 4                            | -                                | 4                            | ( <sup>3</sup> )                     | 4                            |
| \$150.00-\$174.99 .....                      | -                 | 6                            | -                                | 4                            | -                                    | 7                            |
| \$175.00-\$199.99 .....                      | ( <sup>3</sup> )  | 1                            | -                                | 1                            | ( <sup>3</sup> )                     | 1                            |
| \$200.00 or greater .....                    | -                 | 2                            | -                                | 3                            | -                                    | 2                            |
| Composite rate <sup>4</sup> .....            | 3                 | 2                            | 1                                | 1                            | 3                                    | 2                            |
| Amount varies by employee <sup>5</sup> ..... | 12                | 8                            | 9                                | 8                            | 12                                   | 8                            |
| Amount varies by earnings .....              | 1                 | 2                            | -                                | ( <sup>3</sup> )             | 1                                    | 2                            |
| Not determinable .....                       | 8                 | 10                           | 12                               | 13                           | 7                                    | 9                            |
| <b>Professional and administrative</b>       |                   |                              |                                  |                              |                                      |                              |
| Total .....                                  | 100               | 100                          | 100                              | 100                          | 100                                  | 100                          |
| Flat monthly amount .....                    | 76                | 78                           | 80                               | 78                           | 75                                   | 78                           |
| Less than \$5.00 .....                       | 4                 | 1                            | 5                                | 1                            | 4                                    | 1                            |
| \$5.00-\$9.99 .....                          | 11                | 3                            | 13                               | 3                            | 11                                   | 3                            |
| \$10.00-\$14.99 .....                        | 17                | 4                            | 18                               | 3                            | 17                                   | 4                            |
| \$15.00-\$19.99 .....                        | 11                | 3                            | 8                                | 3                            | 12                                   | 4                            |
| \$20.00-\$29.99 .....                        | 16                | 6                            | 16                               | 5                            | 15                                   | 6                            |
| \$30.00-\$39.99 .....                        | 8                 | 8                            | 12                               | 8                            | 7                                    | 7                            |
| \$40.00-\$49.99 .....                        | 4                 | 7                            | 3                                | 9                            | 4                                    | 7                            |
| \$50.00-\$59.99 .....                        | 1                 | 6                            | 2                                | 5                            | 1                                    | 6                            |
| \$60.00-\$69.99 .....                        | ( <sup>3</sup> )  | 7                            | ( <sup>3</sup> )                 | 6                            | ( <sup>3</sup> )                     | 8                            |
| \$70.00-\$79.99 .....                        | ( <sup>3</sup> )  | 5                            | ( <sup>3</sup> )                 | 5                            | ( <sup>3</sup> )                     | 5                            |
| \$80.00-\$89.99 .....                        | 2                 | 5                            | ( <sup>3</sup> )                 | 9                            | 3                                    | 4                            |
| \$90.00-\$99.99 .....                        | -                 | 4                            | -                                | 4                            | -                                    | 4                            |
| \$100.00-\$124.99 .....                      | ( <sup>3</sup> )  | 7                            | ( <sup>3</sup> )                 | 6                            | ( <sup>3</sup> )                     | 7                            |
| \$125.00-\$149.99 .....                      | ( <sup>3</sup> )  | 3                            | -                                | 4                            | ( <sup>3</sup> )                     | 3                            |
| \$150.00-\$174.99 .....                      | -                 | 3                            | -                                | 3                            | -                                    | 3                            |
| \$175.00-\$199.99 .....                      | ( <sup>3</sup> )  | 2                            | -                                | 2                            | ( <sup>3</sup> )                     | 2                            |
| \$200.00 or greater .....                    | -                 | 3                            | -                                | 2                            | -                                    | 3                            |
| Composite rate <sup>4</sup> .....            | 1                 | 2                            | 1                                | 2                            | 1                                    | 2                            |
| Amount varies by employee <sup>5</sup> ..... | 16                | 12                           | 11                               | 9                            | 18                                   | 13                           |
| Amount varies by earnings .....              | 1                 | 2                            | -                                | ( <sup>3</sup> )             | 1                                    | 3                            |
| Not determinable .....                       | 7                 | 8                            | 9                                | 13                           | 6                                    | 7                            |

See footnotes at end of table.

**Table 55. Medical care benefits: Percent of full-time participants in contributory plans<sup>1</sup> by type and amount of employee contribution, medium and large firms, 1989—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>Technical and clerical</b>                |                   |                              |                                  |                              |                                      |                              |
| Total .....                                  | 100               | 100                          | 100                              | 100                          | 100                                  | 100                          |
| Flat monthly amount .....                    | 78                | 80                           | 76                               | 77                           | 78                                   | 81                           |
| Less than \$5.00 .....                       | 4                 | ( <sup>3</sup> )             | 4                                | ( <sup>3</sup> )             | 4                                    | 1                            |
| \$5.00-\$9.99 .....                          | 8                 | 3                            | 10                               | 3                            | 8                                    | 3                            |
| \$10.00-\$14.99 .....                        | 15                | 3                            | 13                               | 3                            | 16                                   | 3                            |
| \$15.00-\$19.99 .....                        | 10                | 3                            | 7                                | 2                            | 11                                   | 3                            |
| \$20.00-\$29.99 .....                        | 15                | 5                            | 14                               | 4                            | 16                                   | 6                            |
| \$30.00-\$39.99 .....                        | 13                | 6                            | 17                               | 6                            | 12                                   | 6                            |
| \$40.00-\$49.99 .....                        | 3                 | 6                            | 2                                | 6                            | 3                                    | 6                            |
| \$50.00-\$59.99 .....                        | 2                 | 6                            | 5                                | 5                            | 1                                    | 6                            |
| \$60.00-\$69.99 .....                        | ( <sup>3</sup> )  | 8                            | 1                                | 6                            | ( <sup>3</sup> )                     | 8                            |
| \$70.00-\$79.99 .....                        | ( <sup>3</sup> )  | 7                            | ( <sup>3</sup> )                 | 5                            | ( <sup>3</sup> )                     | 7                            |
| \$80.00-\$89.99 .....                        | 5                 | 4                            | ( <sup>3</sup> )                 | 10                           | 6                                    | 3                            |
| \$90.00-\$99.99 .....                        | -                 | 4                            | -                                | 3                            | -                                    | 5                            |
| \$100.00-\$124.99 .....                      | 1                 | 6                            | ( <sup>3</sup> )                 | 5                            | 1                                    | 6                            |
| \$125.00-\$149.99 .....                      | ( <sup>3</sup> )  | 6                            | -                                | 7                            | ( <sup>3</sup> )                     | 5                            |
| \$150.00-\$174.99 .....                      | -                 | 8                            | -                                | 6                            | -                                    | 8                            |
| \$175.00-\$199.99 .....                      | ( <sup>3</sup> )  | 1                            | -                                | 1                            | ( <sup>3</sup> )                     | 1                            |
| \$200.00 or greater .....                    | -                 | 2                            | -                                | 4                            | -                                    | 2                            |
| Composite rate <sup>4</sup> .....            | 2                 | 2                            | 1                                | 1                            | 2                                    | 2                            |
| Amount varies by employee <sup>5</sup> ..... | 16                | 12                           | 13                               | 11                           | 17                                   | 12                           |
| Amount varies by earnings .....              | ( <sup>3</sup> )  | 1                            | -                                | ( <sup>3</sup> )             | 1                                    | 1                            |
| Not determinable .....                       | 6                 | 7                            | 11                               | 12                           | 4                                    | 6                            |
| <b>Production and service</b>                |                   |                              |                                  |                              |                                      |                              |
| Total .....                                  | 100               | 100                          | 100                              | 100                          | 100                                  | 100                          |
| Flat monthly amount .....                    | 84                | 82                           | 81                               | 83                           | 85                                   | 82                           |
| Less than \$5.00 .....                       | 5                 | 2                            | 3                                | ( <sup>3</sup> )             | 6                                    | 3                            |
| \$5.00-\$9.99 .....                          | 9                 | 6                            | 11                               | 3                            | 8                                    | 7                            |
| \$10.00-\$14.99 .....                        | 17                | 4                            | 26                               | 7                            | 15                                   | 4                            |
| \$15.00-\$19.99 .....                        | 12                | 4                            | 9                                | 4                            | 12                                   | 4                            |
| \$20.00-\$29.99 .....                        | 16                | 8                            | 17                               | 6                            | 16                                   | 8                            |
| \$30.00-\$39.99 .....                        | 6                 | 5                            | 9                                | 4                            | 5                                    | 5                            |
| \$40.00-\$49.99 .....                        | 3                 | 5                            | 1                                | 12                           | 3                                    | 4                            |
| \$50.00-\$59.99 .....                        | 1                 | 5                            | 2                                | 4                            | 1                                    | 5                            |
| \$60.00-\$69.99 .....                        | ( <sup>3</sup> )  | 9                            | 2                                | 8                            | ( <sup>3</sup> )                     | 9                            |
| \$70.00-\$79.99 .....                        | ( <sup>3</sup> )  | 4                            | ( <sup>3</sup> )                 | 12                           | ( <sup>3</sup> )                     | 2                            |
| \$80.00-\$89.99 .....                        | 10                | 5                            | 1                                | 3                            | 12                                   | 5                            |
| \$90.00-\$99.99 .....                        | -                 | 3                            | -                                | 8                            | -                                    | 2                            |
| \$100.00-\$124.99 .....                      | ( <sup>3</sup> )  | 6                            | 1                                | 4                            | ( <sup>3</sup> )                     | 6                            |
| \$125.00-\$149.99 .....                      | ( <sup>3</sup> )  | 4                            | -                                | 2                            | ( <sup>3</sup> )                     | 5                            |
| \$150.00-\$174.99 .....                      | -                 | 7                            | -                                | 2                            | -                                    | 8                            |
| \$175.00-\$199.99 .....                      | ( <sup>3</sup> )  | ( <sup>3</sup> )             | -                                | 1                            | ( <sup>3</sup> )                     | ( <sup>3</sup> )             |
| \$200.00 or greater .....                    | -                 | 2                            | -                                | 3                            | -                                    | 1                            |
| Composite rate <sup>4</sup> .....            | 4                 | 3                            | ( <sup>3</sup> )                 | 1                            | 5                                    | 3                            |
| Amount varies by employee <sup>5</sup> ..... | 5                 | 4                            | 4                                | 3                            | 6                                    | 4                            |
| Amount varies by earnings .....              | 1                 | 2                            | -                                | ( <sup>3</sup> )             | 1                                    | 2                            |
| Not determinable .....                       | 9                 | 12                           | 15                               | 14                           | 8                                    | 12                           |

<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> 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 56. Medical care benefits: Percent of full-time participants by requirement for employee contribution, medium and large firms, 1989**

| Type and amount of contribution            | All participants  |                  | Professional and administrative participants |                  | Technical and clerical participants |                  | Production and service participants |                  |
|--|-------------------|------------------|--|------------------|-------------------------------------|------------------|-------------------------------------|------------------|
|  | 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 .....                     | 40                | 26               | 39   | 24               | 35                                  | 20               | 46                                  | 32               |
| Contributory .....                         | 59                | 73               | 61   | 73               | 65                                  | 79               | 54                                  | 67               |
| Not determinable .....                     | ( <sup>1</sup> )  | 1                | ( <sup>1</sup> )                             | 3                | ( <sup>1</sup> )                    | 1                | ( <sup>1</sup> )                    | ( <sup>1</sup> ) |
| Non-health maintenance organizations ..... | 100               | 100              | 100  | 100              | 100                                 | 100              | 100                                 | 100              |
| Non-contributory .....                     | 55                | 36               | 51   | 32               | 48                                  | 29               | 60                                  | 41               |
| Contributory .....                         | 45                | 64               | 49   | 68               | 52                                  | 71               | 40                                  | 59               |
| Not determinable .....                     | ( <sup>1</sup> )  | ( <sup>1</sup> ) | ( <sup>1</sup> )                             | ( <sup>1</sup> ) | ( <sup>1</sup> )                    | ( <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 57. Medical care benefits: Average monthly contribution of full-time participants in contributory plans, medium and large firms, 1989**

| Type of coverage                            | All participants | Professional and administrative participants | Technical and clerical participants | Production and service participants |
|---|------------------|--|-------------------------------------|-------------------------------------|
| <b>All plans</b>                            |                  |  |                                     |                                     |
| Employee coverage .....                     | \$25.31          | \$21.57                                      | \$25.95                             | \$27.43                             |
| Family coverage <sup>1</sup> .....          | 72.10            | 72.76  | 79.53                               | 67.18                               |
| <b>Health maintenance organizations</b>     |                  |  |                                     |                                     |
| Employee coverage .....                     | 21.62            | 20.28  | 24.18                               | 20.81                               |
| Family coverage <sup>1</sup> .....          | 75.09            | 75.07  | 85.35                               | 66.22                               |
| <b>Non-health maintenance organizations</b> |                  |  |                                     |                                     |
| Employee coverage .....                     | 26.32            | 22.05  | 26.50                               | 28.76                               |
| Family coverage <sup>1</sup> .....          | 71.41            | 72.06  | 77.97                               | 67.34                               |

<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 58. Health care benefits: Percent of full-time participants by length-of-service requirements for participation,<sup>1</sup> medium and large firms, 1989**

| Length-of-service requirement              | All participants | Professional and administrative participants | Technical and clerical participants | Production and service participants |
|--|------------------|--|-------------------------------------|-------------------------------------|
| Total .....                                | 100              | 100  | 100                                 | 100                                 |
| With service requirement .....             | 49               | 38   | 45                                  | 58                                  |
| 1 month .....                              | 13               | 13   | 12                                  | 13                                  |
| 2 months .....                             | 7                | 4  | 3                                   | 11                                  |
| 3 months .....                             | 17               | 13   | 19                                  | 18                                  |
| 4-5 months .....                           | 1                | 1  | 2                                   | 1                                   |
| 6 months .....                             | 8                | 6  | 7                                   | 10                                  |
| 7-11 months .....                          | 2                | 1  | 1                                   | 3                                   |
| 1 year .....                               | 1                | 1  | ( <sup>2</sup> )                    | 1                                   |
| Without service requirement .....          | 42               | 52   | 45                                  | 34                                  |
| Service requirement not determinable ..... | 9                | 10   | 10                                  | 8                                   |

<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 59. Medical care benefits<sup>1</sup>: Percent of full-time participants by provision for coverage after retirement, medium and large firms, 1989**

| Provision  | All participants | Professional and administrative participants | Technical and clerical participants | Production and service participants |
|--|------------------|--|-------------------------------------|-------------------------------------|
| Total .....  | 100              | 100  | 100                                 | 100                                 |
| With employer-financed retiree coverage <sup>2</sup> .....           | 42               | 47   | 40                                  | 40                                  |
| For retirees under age 65 only ...                                   | 7                | 7  | 5                                   | 8                                   |
| For retirees 65 and over only .....                                  | 2                | 3  | 2                                   | 2                                   |
| For all retirees .....   | 33               | 38   | 33                                  | 29                                  |
| Benefits cancelled on retirement or financed wholly by retiree ..... | 57               | 52   | 58                                  | 58                                  |
| Data not available .....   | 1                | 1  | 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> Includes plans financed wholly by employers and plans financed jointly by employers and employees.

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

**Table 60. Medical care benefits<sup>1</sup>: Percent of full-time participants by provisions for benefits after retirement, medium and large firms, 1989**

| Characteristic   | All participants              |                     | Professional and administrative participants |                     | Technical and clerical participants |                     | Production and service participants |                     |
|--|-------------------------------|---------------------|--|---------------------|-------------------------------------|---------------------|-------------------------------------|---------------------|
|  | 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 |
| Percent of participants with employer-financed retiree coverage <sup>3</sup> ..... | 41                            | 36                  | 45   | 41                  | 39                                  | 37                  | 39                                  | 33                  |
| <b>Benefit level<sup>4</sup></b>   |                               |                     |  |                     |                                     |                     |                                     |                     |
| Total .....  | 100                           | 100                 | 100  | 100                 | 100                                 | 100                 | 100                                 | 100                 |
| No change in coverage .....  | 79                            | 72                  | 84   | 76                  | 82                                  | 76                  | 75                                  | 67                  |
| Reduced coverage .....   | 15                            | 21                  | 11   | 17                  | 11                                  | 16                  | 20                                  | 26                  |
| Increased coverage .....   | ( <sup>5</sup> ) 1            | 1                   | ( <sup>5</sup> ) 1                           | 1                   | ( <sup>5</sup> ) 1                  | 1                   | ( <sup>5</sup> ) 1                  | 1                   |
| Not determinable .....   | 6                             | 6                   | 5  | 5                   | 6                                   | 7                   | 5                                   | 6                   |
| <b>Eligibility for retiree coverage</b>  |                               |                     |  |                     |                                     |                     |                                     |                     |
| Total .....  | 100                           | 100                 | 100  | 100                 | 100                                 | 100                 | 100                                 | 100                 |
| All retirees eligible .....  | 39                            | 37                  | 41   | 40                  | 41                                  | 40                  | 37                                  | 34                  |
| Eligibility subject to service requirement .....                                   | 29                            | 26                  | 28   | 26                  | 31                                  | 29                  | 28                                  | 25                  |
| Must qualify for company pension .....   | 26                            | 30                  | 24   | 28                  | 21                                  | 24                  | 29                                  | 34                  |
| Other .....  | 1                             | 1                   | 1  | 1                   | 2                                   | 2                   | 1                                   | 1                   |
| Eligibility data not available .....   | 6                             | 6                   | 5  | 5                   | 5                                   | 6                   | 6                                   | 7                   |
| <b>Financing</b>   |                               |                     |  |                     |                                     |                     |                                     |                     |
| Total .....  | 100                           | 100                 | 100  | 100                 | 100                                 | 100                 | 100                                 | 100                 |
| Retiree pays some cost .....   | 52                            | 50                  | 56   | 55                  | 57                                  | 55                  | 46                                  | 44                  |
| Retiree pays no cost .....   | 45                            | 47                  | 41   | 42                  | 40                                  | 42                  | 50                                  | 52                  |
| Not determinable .....   | 3                             | 3                   | 2  | 3                   | 3                                   | 3                   | 3                                   | 4                   |

<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.

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

**Table 61. Medical care benefits: Percent of full-time participants by provision for employer-financed coverage during layoff, medium and large firms, 1989**

| Benefit provision                                | All participants | Professional and administrative participants | Technical and clerical participants | Production and service participants |
|--|------------------|--|-------------------------------------|-------------------------------------|
| Total .....                                      | 100              | 100  | 100                                 | 100                                 |
| With employer-financed coverage <sup>1</sup> ... | 22               | 21   | 18                                  | 24                                  |
| Employee share of cost: <sup>2</sup>             |                  |  |                                     |                                     |
| Partial cost .....                               | 7                | 8  | 6                                   | 7                                   |
| No cost .....                                    | 13               | 10   | 11                                  | 15                                  |
| Cost not determinable .....                      | 2                | 2  | 1                                   | 2                                   |
| Duration of coverage: <sup>3</sup>               |                  |  |                                     |                                     |
| 1-2 months .....                                 | 3                | 3  | 2                                   | 3                                   |
| 3 months .....                                   | 4                | 4  | 4                                   | 5                                   |
| 4-5 months .....                                 | 1                | 1  | 1                                   | 1                                   |
| 6 months .....                                   | 2                | 2  | 2                                   | 2                                   |
| 7-11 months .....                                | ( <sup>4</sup> ) | ( <sup>4</sup> )                             | ( <sup>4</sup> )                    | ( <sup>4</sup> )                    |
| 1 year .....                                     | 3                | 3  | 2                                   | 4                                   |
| Over 1 year .....                                | 2                | 1  | 1                                   | 3                                   |
| Varies by service .....                          | 1                | 1  | 1                                   | 1                                   |
| Until rehire .....                               | 1                | 1  | 1                                   | 1                                   |
| Not determinable .....                           | 4                | 5  | 4                                   | 3                                   |
| Without employer-financed coverage               | 76               | 77   | 80                                  | 74                                  |
| No policy established .....                      | ( <sup>4</sup> ) | ( <sup>4</sup> )                             | ( <sup>4</sup> )                    | ( <sup>4</sup> )                    |
| Layoff policy not determinable .....             | 2                | 2  | 2                                   | 1                                   |

<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> Administrative costs were excluded from the tabulations.

<sup>3</sup> Provision applies to the continuation of employee coverage immediately upon layoff. In some plans, group coverage was extended beyond the length-of-continuation periods reported, but was financed solely by the laid-off employee.

<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 by extent of coverage for selected procedures, medium and large firms, 1989**

| Extent of coverage  | Type of dental procedure |                   |                  |                                |                  |                  |                     |                  |                  |                               |
|---|--------------------------|-------------------|------------------|--------------------------------|------------------|------------------|---------------------|------------------|------------------|-------------------------------|
|   | Examina-<br>tions        | Dental X-<br>rays | Fillings         | Dental<br>surgery <sup>1</sup> | Inlays           | Crowns           | Periodontal<br>care | Endodon-<br>tics | Prosthetics      | Orthodon-<br>tia <sup>2</sup> |
| <b>All participants</b>                                       |                          |                   |                  |                                |                  |                  |                     |                  |                  |                               |
| Total <sup>3</sup> .....                                      | 100                      | 100               | 100              | 100                            | 100              | 100              | 100                 | 100              | 100              | 100                           |
| Scheduled cash allowance .....                                | 11                       | 11                | 15               | 15                             | 14               | 15               | 14                  | 15               | 14               | ( <sup>4</sup> )              |
| Incentive schedule <sup>5</sup> .....                         | 1                        | 1                 | 1                | 1                              | ( <sup>4</sup> ) | ( <sup>4</sup> ) | 1                   | 1                | ( <sup>4</sup> ) | -                             |
| Subject to copayment <sup>6</sup> .....                       | 2                        | 1                 | 2                | 3                              | 3                | 4                | 3                   | 3                | 4                | 3                             |
| Percent of usual, customary, and<br>reasonable charge .....   | 86                       | 87                | 81               | 79                             | 75               | 76               | 77                  | 79               | 77               | 63                            |
| Less than 50 .....  | -                        | -                 | -                | -                              | ( <sup>4</sup> ) | ( <sup>4</sup> ) | -                   | -                | ( <sup>4</sup> ) | ( <sup>4</sup> )              |
| 50 .....  | 2                        | 2                 | 7                | 7                              | 50               | 51               | 10                  | 8                | 60               | 49                            |
| 51-59 .....   | -                        | -                 | -                | -                              | ( <sup>4</sup> ) | ( <sup>4</sup> ) | -                   | -                | ( <sup>4</sup> ) | ( <sup>4</sup> )              |
| 60 .....  | ( <sup>4</sup> )         | ( <sup>4</sup> )  | 1                | 1                              | 5                | 5                | 1                   | 1                | 5                | 1                             |
| 61-74 .....   | 1                        | 2                 | 4                | 3                              | 3                | 3                | 4                   | 3                | 2                | 1                             |
| 75 .....  | 1                        | 1                 | 6                | 6                              | 2                | 2                | 6                   | 6                | 1                | 1                             |
| 80 .....  | 20                       | 22                | 46               | 46                             | 7                | 7                | 43                  | 45               | 5                | 1                             |
| 85 .....  | ( <sup>4</sup> )         | 3                 | 5                | 4                              | 3                | 2                | 5                   | 5                | ( <sup>4</sup> ) | -                             |
| 90 .....  | 4                        | 4                 | 4                | 4                              | 3                | 3                | 4                   | 4                | ( <sup>4</sup> ) | ( <sup>4</sup> )              |
| 100 <sup>7</sup> .....  | 58                       | 54                | 9                | 9                              | 3                | 3                | 6                   | 7                | 2                | 9                             |
| Discounted benefit <sup>8</sup> .....                         | ( <sup>4</sup> )         | ( <sup>4</sup> )  | ( <sup>4</sup> ) | ( <sup>4</sup> )               | ( <sup>4</sup> ) | ( <sup>4</sup> ) | ( <sup>4</sup> )    | ( <sup>4</sup> ) | ( <sup>4</sup> ) | ( <sup>4</sup> )              |
| Subject to overall plan provisions<br>only <sup>9</sup> ..... | ( <sup>4</sup> )         | ( <sup>4</sup> )  | 1                | 1                              | 1                | 1                | 1                   | 1                | 1                | -                             |
| Not covered .....   | ( <sup>4</sup> )         | ( <sup>4</sup> )  | 1                | 1                              | 6                | 4                | 4                   | 2                | 5                | 34                            |
| Not determinable .....  | -                        | -                 | -                | -                              | ( <sup>4</sup> ) | -                | -                   | -                | -                | -                             |
| <b>Professional and administrative</b>                        |                          |                   |                  |                                |                  |                  |                     |                  |                  |                               |
| Total <sup>3</sup> .....                                      | 100                      | 100               | 100              | 100                            | 100              | 100              | 100                 | 100              | 100              | 100                           |
| Scheduled cash allowance .....                                | 11                       | 11                | 16               | 15                             | 15               | 15               | 14                  | 15               | 15               | -                             |
| Incentive schedule <sup>5</sup> .....                         | 1                        | 1                 | 1                | 1                              | ( <sup>4</sup> ) | ( <sup>4</sup> ) | 1                   | 1                | ( <sup>4</sup> ) | -                             |
| Subject to copayment <sup>6</sup> .....                       | 2                        | 1                 | 2                | 3                              | 3                | 4                | 4                   | 3                | 4                | 4                             |
| Percent of usual, customary, and<br>reasonable charge .....   | 85                       | 86                | 80               | 79                             | 75               | 76               | 77                  | 78               | 76               | 64                            |
| Less than 50 .....  | -                        | -                 | -                | -                              | ( <sup>4</sup> ) | ( <sup>4</sup> ) | -                   | -                | ( <sup>4</sup> ) | ( <sup>4</sup> )              |
| 50 .....  | 2                        | 2                 | 8                | 8                              | 52               | 53               | 11                  | 9                | 59               | 49                            |
| 51-59 .....   | -                        | -                 | -                | -                              | ( <sup>4</sup> ) | ( <sup>4</sup> ) | -                   | -                | ( <sup>4</sup> ) | ( <sup>4</sup> )              |
| 60 .....  | ( <sup>4</sup> )         | ( <sup>4</sup> )  | 1                | 1                              | 6                | 6                | 1                   | 1                | 5                | 2                             |
| 61-74 .....   | 2                        | 2                 | 4                | 4                              | 3                | 3                | 4                   | 4                | 2                | 1                             |
| 75 .....  | 1                        | 1                 | 5                | 5                              | 2                | 2                | 5                   | 5                | 1                | 1                             |
| 80 .....  | 18                       | 19                | 49               | 49                             | 7                | 7                | 46                  | 48               | 6                | 2                             |
| 85 .....  | ( <sup>4</sup> )         | 2                 | 3                | 3                              | 1                | 1                | 3                   | 3                | ( <sup>4</sup> ) | -                             |
| 90 .....  | 3                        | 3                 | 2                | 2                              | 1                | 1                | 2                   | 2                | ( <sup>4</sup> ) | ( <sup>4</sup> )              |
| 100 <sup>7</sup> .....  | 60                       | 56                | 9                | 8                              | 3                | 3                | 6                   | 6                | 2                | 10                            |
| Discounted benefit <sup>8</sup> .....                         | ( <sup>4</sup> )         | ( <sup>4</sup> )  | 1                | ( <sup>4</sup> )               | 1                | 1                | 1                   | ( <sup>4</sup> ) | ( <sup>4</sup> ) | ( <sup>4</sup> )              |
| Subject to overall plan provisions<br>only <sup>9</sup> ..... | ( <sup>4</sup> )         | ( <sup>4</sup> )  | ( <sup>4</sup> ) | ( <sup>4</sup> )               | ( <sup>4</sup> ) | ( <sup>4</sup> ) | ( <sup>4</sup> )    | ( <sup>4</sup> ) | ( <sup>4</sup> ) | -                             |
| Not covered .....   | 1                        | 1                 | 1                | 1                              | 6                | 3                | 3                   | 1                | 4                | 32                            |
| Not determinable .....  | -                        | -                 | -                | -                              | ( <sup>4</sup> ) | -                | -                   | -                | -                | -                             |

See footnotes at end of table.

**Table 62. Dental care benefits: Percent of full-time participants by extent of coverage for selected procedures, medium and large firms, 1989—Continued**

| Extent of coverage  | Type of dental procedure |                   |                  |                                |                  |                  |                     |                  |                  |                               |
|---|--------------------------|-------------------|------------------|--------------------------------|------------------|------------------|---------------------|------------------|------------------|-------------------------------|
|   | Examina-<br>tions        | Dental X-<br>rays | Fillings         | Dental<br>surgery <sup>1</sup> | Inlays           | Crowns           | Periodontal<br>care | Endodon-<br>tics | Prosthetics      | Orthodon-<br>tia <sup>2</sup> |
| <b>Technical and clerical</b>                                 |                          |                   |                  |                                |                  |                  |                     |                  |                  |                               |
| Total <sup>3</sup> .....                                      | 100                      | 100               | 100              | 100                            | 100              | 100              | 100                 | 100              | 100              | 100                           |
| Scheduled cash allowance .....                                | 8                        | 8                 | 14               | 14                             | 13               | 13               | 13                  | 14               | 14               | -                             |
| Incentive schedule <sup>5</sup> .....                         | 1                        | 1                 | 1                | 1                              | ( <sup>4</sup> ) | ( <sup>4</sup> ) | 1                   | 1                | ( <sup>4</sup> ) | -                             |
| Subject to copayment <sup>6</sup> .....                       | 2                        | 2                 | 2                | 3                              | 3                | 5                | 4                   | 3                | 4                | 3                             |
| Percent of usual, customary, and<br>reasonable charge .....   | 88                       | 89                | 82               | 80                             | 74               | 75               | 77                  | 80               | 75               | 61                            |
| Less than 50 .....  | -                        | -                 | -                | -                              | ( <sup>4</sup> ) | ( <sup>4</sup> ) | -                   | -                | 1                | 1                             |
| 50 .....  | 1                        | 2                 | 7                | 8                              | 54               | 55               | 10                  | 9                | 57               | 49                            |
| 51-59 .....   | -                        | -                 | -                | -                              | ( <sup>4</sup> ) | ( <sup>4</sup> ) | -                   | -                | ( <sup>4</sup> ) | ( <sup>4</sup> )              |
| 60 .....  | ( <sup>4</sup> )         | ( <sup>4</sup> )  | 1                | 1                              | 5                | 6                | 1                   | 1                | 5                | 1                             |
| 61-74 .....   | 1                        | 2                 | 4                | 3                              | 3                | 3                | 4                   | 3                | 2                | 1                             |
| 75 .....  | ( <sup>4</sup> )         | 1                 | 6                | 6                              | 2                | 2                | 6                   | 6                | 1                | 1                             |
| 80 .....  | 20                       | 22                | 51               | 51                             | 6                | 6                | 46                  | 50               | 8                | 1                             |
| 85 .....  | ( <sup>4</sup> )         | 1                 | 3                | 2                              | 1                | 1                | 3                   | 3                | ( <sup>4</sup> ) | -                             |
| 90 .....  | 3                        | 3                 | 2                | 2                              | 1                | 1                | 2                   | 2                | ( <sup>4</sup> ) | ( <sup>4</sup> )              |
| 100 <sup>7</sup> .....  | 61                       | 58                | 8                | 7                              | 2                | 2                | 5                   | 6                | 1                | 8                             |
| Discounted benefit <sup>8</sup> .....                         | ( <sup>4</sup> )         | ( <sup>4</sup> )  | ( <sup>4</sup> ) | ( <sup>4</sup> )               | ( <sup>4</sup> ) | ( <sup>4</sup> ) | ( <sup>4</sup> )    | ( <sup>4</sup> ) | ( <sup>4</sup> ) | ( <sup>4</sup> )              |
| Subject to overall plan provisions<br>only <sup>9</sup> ..... | ( <sup>4</sup> )         | ( <sup>4</sup> )  | ( <sup>4</sup> ) | ( <sup>4</sup> )               | ( <sup>4</sup> ) | ( <sup>4</sup> ) | ( <sup>4</sup> )    | ( <sup>4</sup> ) | ( <sup>4</sup> ) | -                             |
| Not covered .....   | ( <sup>4</sup> )         | 1                 | 1                | 1                              | 8                | 6                | 5                   | 2                | 6                | 36                            |
| Not determinable .....  | -                        | -                 | -                | -                              | ( <sup>4</sup> ) | -                | -                   | -                | -                | -                             |
| <b>Production and service</b>                                 |                          |                   |                  |                                |                  |                  |                     |                  |                  |                               |
| Total <sup>3</sup> .....                                      | 100                      | 100               | 100              | 100                            | 100              | 100              | 100                 | 100              | 100              | 100                           |
| Scheduled cash allowance .....                                | 12                       | 12                | 15               | 16                             | 15               | 15               | 15                  | 15               | 14               | ( <sup>4</sup> )              |
| Incentive schedule <sup>5</sup> .....                         | ( <sup>4</sup> )         | ( <sup>4</sup> )  | ( <sup>4</sup> ) | ( <sup>4</sup> )               | ( <sup>4</sup> ) | ( <sup>4</sup> ) | ( <sup>4</sup> )    | ( <sup>4</sup> ) | ( <sup>4</sup> ) | -                             |
| Subject to copayment <sup>6</sup> .....                       | 1                        | 1                 | 2                | 3                              | 3                | 4                | 3                   | 3                | 3                | 3                             |
| Percent of usual, customary, and<br>reasonable charge .....   | 87                       | 87                | 82               | 79                             | 76               | 77               | 77                  | 79               | 77               | 63                            |
| Less than 50 .....  | -                        | -                 | -                | -                              | ( <sup>4</sup> ) | ( <sup>4</sup> ) | -                   | -                | ( <sup>4</sup> ) | ( <sup>4</sup> )              |
| 50 .....  | 2                        | 2                 | 7                | 7                              | 46               | 48               | 9                   | 7                | 63               | 49                            |
| 51-59 .....   | -                        | -                 | -                | -                              | ( <sup>4</sup> ) | ( <sup>4</sup> ) | -                   | -                | ( <sup>4</sup> ) | ( <sup>4</sup> )              |
| 60 .....  | ( <sup>4</sup> )         | ( <sup>4</sup> )  | 1                | 1                              | 4                | 4                | 1                   | 1                | 4                | 1                             |
| 61-74 .....   | 1                        | 1                 | 3                | 3                              | 2                | 2                | 3                   | 3                | 2                | 2                             |
| 75 .....  | 1                        | 1                 | 6                | 6                              | 2                | 2                | 6                   | 6                | 2                | 2                             |
| 80 .....  | 22                       | 23                | 42               | 41                             | 8                | 8                | 38                  | 40               | 4                | 1                             |
| 85 .....  | 1                        | 4                 | 7                | 5                              | 4                | 4                | 7                   | 7                | ( <sup>4</sup> ) | -                             |
| 90 .....  | 4                        | 5                 | 6                | 6                              | 5                | 5                | 6                   | 6                | 1                | ( <sup>4</sup> )              |
| 100 <sup>7</sup> .....  | 55                       | 50                | 10               | 10                             | 4                | 4                | 6                   | 9                | 3                | 9                             |
| Discounted benefit <sup>8</sup> .....                         | ( <sup>4</sup> )         | ( <sup>4</sup> )  | ( <sup>4</sup> ) | ( <sup>4</sup> )               | ( <sup>4</sup> ) | ( <sup>4</sup> ) | ( <sup>4</sup> )    | ( <sup>4</sup> ) | ( <sup>4</sup> ) | ( <sup>4</sup> )              |
| Subject to overall plan provisions<br>only <sup>9</sup> ..... | ( <sup>4</sup> )         | ( <sup>4</sup> )  | 1                | 1                              | 1                | 1                | 1                   | 1                | 1                | -                             |
| Not covered .....   | ( <sup>4</sup> )         | ( <sup>4</sup> )  | ( <sup>4</sup> ) | 1                              | 5                | 3                | 3                   | 2                | 4                | 34                            |
| Not determinable .....  | -                        | -                 | -                | -                              | ( <sup>4</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> Coverage may be also subject to maximum and deductible provisions.

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

<sup>5</sup> Reimbursement arrangement in which the percentage of dental expenses paid by the plan increases if regular dental appointments are scheduled.

<sup>6</sup> Participant pays a specific amount per procedure and plan pays all remaining expenses.

<sup>7</sup> Includes plans that paid the full cost.

<sup>8</sup> Benefits provided at a discount if obtained from an approved provider.

<sup>9</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 63. Dental care benefits: Percent of full-time participants by deductible provision<sup>1</sup>, medium and large firms, 1989**

| Type of deductible <sup>2</sup>                          | All participants | Professional and administrative participants | Technical and clerical participants | Production and service participants |
|--|------------------|--|-------------------------------------|-------------------------------------|
| Total .....  | 100              | 100  | 100                                 | 100                                 |
| Subject to separate dental deductible <sup>3</sup> ..... | 63               | 67   | 70                                  | 56                                  |
| Yearly deductible only .....                             | 56               | 60   | 61                                  | 50                                  |
| Under \$25 .....   | 1                | 1  | ( <sup>4</sup> )                    | 1                                   |
| \$25 .....   | 22               | 23   | 22                                  | 21                                  |
| \$26-\$49 .....  | 1                | 1  | 1                                   | 1                                   |
| \$50 .....   | 27               | 30   | 32                                  | 22                                  |
| \$51-\$99 .....  | 1                | 1  | 1                                   | 1                                   |
| \$100 .....  | 3                | 3  | 4                                   | 3                                   |
| Over \$100 .....   | ( <sup>4</sup> ) | 1  | 1                                   | ( <sup>4</sup> )                    |
| Lifetime deductible only .....                           | 3                | 2  | 2                                   | 3                                   |
| \$50 .....   | 2                | 2  | 2                                   | 2                                   |
| Over \$50 .....  | 1                | ( <sup>4</sup> )                             | ( <sup>4</sup> )                    | 1                                   |
| Both yearly and lifetime deductibles .....               | 5                | 5  | 6                                   | 3                                   |
| Subject to overall plan deductible ....                  | 5                | 2  | 4                                   | 7                                   |
| No deductible .....                                      | 33               | 31   | 26                                  | 37                                  |

<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 64. Dental care benefits: Percent of full-time participants by yearly maximum amount of coverage,<sup>1</sup> medium and large firms, 1989**

| Dollar amount <sup>2</sup>                  | All participants | Professional and administrative participants | Technical and clerical participants | Production and service participants |
|---|------------------|--|-------------------------------------|-------------------------------------|
| Total .....                                 | 100              | 100  | 100                                 | 100                                 |
| Yearly maximum specified <sup>3</sup> ..... | 82               | 82   | 83                                  | 81                                  |
| Less than \$500 .....                       | 1                | 1  | ( <sup>4</sup> )                    | 1                                   |
| \$500 .....                                 | 5                | 4  | 5                                   | 5                                   |
| \$501-\$749 .....                           | 1                | ( <sup>4</sup> )                             | 1                                   | 2                                   |
| \$750 .....                                 | 10               | 10   | 9                                   | 11                                  |
| \$751-\$999 .....                           | 2                | 2  | 2                                   | 3                                   |
| \$1,000 .....                               | 43               | 42   | 44                                  | 43                                  |
| \$1,001-\$1,499 .....                       | 4                | 4  | 3                                   | 4                                   |
| \$1,500 .....                               | 10               | 11   | 10                                  | 9                                   |
| \$1,501-\$1,999 .....                       | 1                | 1  | ( <sup>4</sup> )                    | 1                                   |
| \$2,000 .....                               | 4                | 5  | 7                                   | 2                                   |
| \$2,001-\$2,999 .....                       | 1                | 1  | 1                                   | ( <sup>4</sup> )                    |
| \$3,000 or more .....                       | ( <sup>4</sup> ) | 1  | ( <sup>4</sup> )                    | ( <sup>4</sup> )                    |
| No yearly maximum .....                     | 18               | 18   | 17                                  | 19                                  |
| Maximum provision not determinable          | ( <sup>4</sup> ) | ( <sup>4</sup> )                             | ( <sup>4</sup> )                    | ( <sup>4</sup> )                    |

<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 65. Dental care benefits: Percent of full-time participants in plans with orthodontic benefits by lifetime maximum amount of coverage, medium and large firms, 1989**

| Dollar amount <sup>1</sup>       | All participants | Professional and administrative participants | Technical and clerical participants | Production and service participants |
|----------------------------------|------------------|--|-------------------------------------|-------------------------------------|
| Total .....                      | 100              | 100  | 100                                 | 100                                 |
| Lifetime maximum specified ..... | 85               | 87   | 86                                  | 84                                  |
| Less than \$500 .....            | 1                | ( <sup>2</sup> )                             | ( <sup>2</sup> )                    | 1                                   |
| \$500 .....                      | 7                | 6  | 7                                   | 8                                   |
| \$501-\$749 .....                | 7                | 4  | 4                                   | 10                                  |
| \$750 .....                      | 13               | 14   | 14                                  | 11                                  |
| \$751-\$999 .....                | 4                | 3  | 2                                   | 5                                   |
| \$1,000 .....                    | 36               | 42   | 39                                  | 32                                  |
| \$1,001-\$1,499 .....            | 7                | 7  | 5                                   | 8                                   |
| \$1,500 .....                    | 8                | 8  | 8                                   | 7                                   |
| Greater than \$1,500 .....       | 3                | 2  | 7                                   | 2                                   |
| No lifetime maximum .....        | 15               | 13   | 14                                  | 16                                  |

<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 66. Dental care benefits: Percent of full-time participants by provision for preauthorization of treatment, medium and large firms, 1989**

| Item  | All participants | Professional and administrative participants | Technical and clerical participants | Production and service participants |
|---|------------------|--|-------------------------------------|-------------------------------------|
| Total .....                                 | 100              | 100  | 100                                 | 100                                 |
| Preauthorization required .....             | 63               | 65   | 61                                  | 63                                  |
| Minimum expense requiring preauthorization: |                  |  |                                     |                                     |
| Less than \$100 .....                       | ( <sup>1</sup> ) | -  | -                                   | ( <sup>1</sup> )                    |
| \$100 .....                                 | 14               | 14   | 14                                  | 14                                  |
| \$101 - \$199 .....                         | 12               | 13   | 10                                  | 12                                  |
| \$200 .....                                 | 16               | 17   | 17                                  | 15                                  |
| Greater than \$200 .....                    | 16               | 15   | 15                                  | 17                                  |
| Dollar amount not determinable .....        | 5                | 7  | 6                                   | 4                                   |
| Preauthorization not required .....         | 37               | 35   | 39                                  | 37                                  |

<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 67. Dental care benefits: Percent of full-time participants in contributory stand-alone plans<sup>1</sup> by type and amount of employee contribution, medium and large firms, 1989**

| 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>Technical and clerical</b>                |                   |                              |
| Total .....                                  | 100               | 100                          | Total .....                                  | 100               | 100                          |
| Flat monthly amount .....                    | 70                | 74                           | Flat monthly amount .....                    | 69                | 72                           |
| Less than \$2.00 .....                       | 10                | 1                            | Less than \$2.00 .....                       | 7                 | 1                            |
| \$2.00-\$4.99 .....                          | 33                | 8                            | \$2.00-\$4.99 .....                          | 38                | 6                            |
| \$5.00-\$9.99 .....                          | 21                | 20                           | \$5.00-\$9.99 .....                          | 19                | 16                           |
| \$10.00-\$14.99 .....                        | 3                 | 21                           | \$10.00-\$14.99 .....                        | 3                 | 27                           |
| \$15.00-\$19.99 .....                        | ( <sup>3</sup> )  | 10                           | \$15.00-\$19.99 .....                        | ( <sup>3</sup> )  | 7                            |
| \$20.00-\$24.99 .....                        | ( <sup>3</sup> )  | 5                            | \$20.00-\$24.99 .....                        | ( <sup>3</sup> )  | 5                            |
| \$25.00 or greater .....                     | -                 | 6                            | \$25.00 or greater .....                     | -                 | 8                            |
| Composite rate <sup>4</sup> .....            | 3                 | 3                            | Composite rate <sup>4</sup> .....            | 1                 | 2                            |
| Amount varies by employee <sup>5</sup> ..... | 22                | 17                           | Amount varies by employee <sup>5</sup> ..... | 25                | 20                           |
| Amount varies by earnings .....              | ( <sup>3</sup> )  | ( <sup>3</sup> )             | Amount varies by earnings .....              | ( <sup>3</sup> )  | ( <sup>3</sup> )             |
| Not determinable .....                       | 8                 | 9                            | Not determinable .....                       | 6                 | 7                            |
| <b>Professional and administrative</b>       |                   |                              | <b>Production and service</b>                |                   |                              |
| Total .....                                  | 100               | 100                          | Total .....                                  | 100               | 100                          |
| Flat monthly amount .....                    | 64                | 69                           | Flat monthly amount .....                    | 76                | 80                           |
| Less than \$2.00 .....                       | 9                 | 1                            | Less than \$2.00 .....                       | 14                | 1                            |
| \$2.00-\$4.99 .....                          | 29                | 8                            | \$2.00-\$4.99 .....                          | 33                | 10                           |
| \$5.00-\$9.99 .....                          | 20                | 18                           | \$5.00-\$9.99 .....                          | 22                | 24                           |
| \$10.00-\$14.99 .....                        | 3                 | 19                           | \$10.00-\$14.99 .....                        | 2                 | 18                           |
| \$15.00-\$19.99 .....                        | ( <sup>3</sup> )  | 9                            | \$15.00-\$19.99 .....                        | ( <sup>3</sup> )  | 14                           |
| \$20.00-\$24.99 .....                        | ( <sup>3</sup> )  | 5                            | \$20.00-\$24.99 .....                        | ( <sup>3</sup> )  | 5                            |
| \$25.00 or greater .....                     | -                 | 7                            | \$25.00 or greater .....                     | -                 | 4                            |
| Composite rate <sup>4</sup> .....            | 2                 | 3                            | Composite rate <sup>4</sup> .....            | 5                 | 4                            |
| Amount varies by employee <sup>5</sup> ..... | 28                | 21                           | Amount varies by employee <sup>5</sup> ..... | 15                | 11                           |
| Amount varies by earnings .....              | ( <sup>3</sup> )  | ( <sup>3</sup> )             | Amount varies by earnings .....              | ( <sup>3</sup> )  | ( <sup>3</sup> )             |
| Not determinable .....                       | 8                 | 10                           | Not determinable .....                       | 9                 | 10                           |

<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 68. Life insurance: Percent of full-time participants by method of determining amount of basic life insurance and frequency of related coverages, medium and large firms, 1989**

| Item   | All participants | Professional and administrative participants | Technical and clerical participants | Production and service participants |
|--|------------------|--|-------------------------------------|-------------------------------------|
| Total .....  | 100              | 100  | 100                                 | 100                                 |
| Basic life insurance <sup>1</sup> .....            | 100              | 100  | 100                                 | 99                                  |
| Based on earnings .....                            | 68               | 79   | 76                                  | 57                                  |
| Multiple <sup>2</sup> .....                        | 59               | 73   | 69                                  | 46                                  |
| Graduated schedule .....                           | 9                | 6  | 7                                   | 12                                  |
| Flat amount .....                                  | 29               | 19   | 23                                  | 39                                  |
| Flat amount based on service ....                  | 2                | 2  | 1                                   | 3                                   |
| Accidental death and dismemberment coverage .....  | 71               | 70   | 68                                  | 73                                  |
| Survivor income benefit <sup>3</sup> .....         | 7                | 6  | 5                                   | 8                                   |
| Supplemental benefits available <sup>4</sup> ..... | 62               | 68   | 68                                  | 55                                  |
| Wholly employee paid .....                         | 53               | 57   | 57                                  | 48                                  |
| Dependent coverage available <sup>4</sup> .....    | 42               | 42   | 42                                  | 43                                  |
| Wholly employee paid .....                         | 22               | 23   | 22                                  | 22                                  |

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

<sup>4</sup> In prior surveys, data for supplemental and dependent life insurance coverage included only those participants who could receive plans that were at least partially employer-financed.

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 in plans with multiple-of-earnings formulas<sup>1</sup> by amount of basic insurance and maximum coverage provisions, medium and large firms, 1989**

| 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              | 40                                | 60                             | 4                  | 13                | 13                  | 12                  | 10                  | 8                   |
| Life insurance is equal to annual earnings times: <sup>2</sup> |                  |                                   |                                |                    |                   |                     |                     |                     |                     |
| Less than 1.0 .....  | 3                | 2                                 | 2                              | ( <sup>0</sup> )   | ( <sup>0</sup> )  | 1                   | ( <sup>0</sup> )    | ( <sup>0</sup> )    | ( <sup>0</sup> )    |
| 1.0 .....  | 47               | 18                                | 29                             | 2                  | 9                 | 6                   | 2                   | 4                   | 6                   |
| 1.1-1.4 .....  | 1                | ( <sup>0</sup> )                  | 1                              | -                  | -                 | ( <sup>0</sup> )    | ( <sup>0</sup> )    | -                   | ( <sup>0</sup> )    |
| 1.5 .....  | 9                | 2                                 | 7                              | ( <sup>0</sup> )   | 2                 | 1                   | 2                   | 1                   | ( <sup>0</sup> )    |
| 1.6-1.9 .....  | 1                | -                                 | 1                              | -                  | ( <sup>0</sup> )  | ( <sup>0</sup> )    | -                   | -                   | ( <sup>0</sup> )    |
| 2.0 .....  | 29               | 15                                | 14                             | ( <sup>0</sup> )   | 1                 | 4                   | 4                   | 3                   | 1                   |
| 2.1-2.4 .....  | 1                | ( <sup>0</sup> )                  | 1                              | -                  | -                 | -                   | -                   | -                   | -                   |
| 2.5 .....  | 4                | 1                                 | 3                              | 1                  | ( <sup>0</sup> )  | ( <sup>0</sup> )    | 1                   | ( <sup>0</sup> )    | ( <sup>0</sup> )    |
| 2.6-2.9 .....  | ( <sup>0</sup> ) | -                                 | ( <sup>0</sup> )               | -                  | ( <sup>0</sup> )  | ( <sup>0</sup> )    | -                   | -                   | ( <sup>0</sup> )    |
| 3.0 .....  | 2                | ( <sup>0</sup> )                  | 2                              | -                  | ( <sup>0</sup> )  | ( <sup>0</sup> )    | 1                   | 1                   | ( <sup>0</sup> )    |
| More than 3.0 .....  | 1                | ( <sup>0</sup> )                  | 1                              | -                  | -                 | ( <sup>0</sup> )    | 1                   | ( <sup>0</sup> )    | ( <sup>0</sup> )    |
| Multiple varying with earnings ....                            | 1                | ( <sup>0</sup> )                  | 1                              | -                  | -                 | ( <sup>0</sup> )    | 1                   | -                   | -                   |
| <b>Professional and administrative</b>                         |                  |                                   |                                |                    |                   |                     |                     |                     |                     |
| Total .....  | 100              | 38                                | 62                             | 1                  | 14                | 15                  | 14                  | 10                  | 8                   |
| Life insurance is equal to annual earnings times: <sup>2</sup> |                  |                                   |                                |                    |                   |                     |                     |                     |                     |
| Less than 1.0 .....  | 3                | 1                                 | 2                              | ( <sup>0</sup> )   | 1                 | ( <sup>0</sup> )    | ( <sup>0</sup> )    | ( <sup>0</sup> )    | ( <sup>0</sup> )    |
| 1.0 .....  | 45               | 17                                | 28                             | 1                  | 9                 | 7                   | 2                   | 4                   | 5                   |
| 1.1-1.4 .....  | 1                | -                                 | 1                              | -                  | -                 | ( <sup>0</sup> )    | ( <sup>0</sup> )    | -                   | ( <sup>0</sup> )    |
| 1.5 .....  | 10               | 3                                 | 7                              | ( <sup>0</sup> )   | 2                 | 2                   | 1                   | 1                   | ( <sup>0</sup> )    |
| 1.6-1.9 .....  | ( <sup>0</sup> ) | -                                 | ( <sup>0</sup> )               | -                  | ( <sup>0</sup> )  | ( <sup>0</sup> )    | -                   | -                   | ( <sup>0</sup> )    |
| 2.0 .....  | 29               | 13                                | 16                             | ( <sup>0</sup> )   | 2                 | 5                   | 5                   | 3                   | 1                   |
| 2.1-2.4 .....  | 1                | ( <sup>0</sup> )                  | 1                              | -                  | -                 | -                   | 1                   | 1                   | -                   |
| 2.5 .....  | 3                | 1                                 | 1                              | -                  | ( <sup>0</sup> )  | ( <sup>0</sup> )    | ( <sup>0</sup> )    | ( <sup>0</sup> )    | ( <sup>0</sup> )    |
| 2.6-2.9 .....  | ( <sup>0</sup> ) | -                                 | ( <sup>0</sup> )               | -                  | ( <sup>0</sup> )  | ( <sup>0</sup> )    | -                   | -                   | ( <sup>0</sup> )    |
| 3.0 .....  | 3                | 1                                 | 3                              | -                  | ( <sup>0</sup> )  | ( <sup>0</sup> )    | 1                   | 1                   | ( <sup>0</sup> )    |
| More than 3.0 .....  | 2                | 1                                 | 1                              | -                  | -                 | ( <sup>0</sup> )    | 1                   | ( <sup>0</sup> )    | ( <sup>0</sup> )    |
| Multiple varying with earnings ....                            | 2                | ( <sup>0</sup> )                  | 2                              | -                  | -                 | ( <sup>0</sup> )    | 1                   | -                   | -                   |
| <b>Technical and clerical</b>                                  |                  |                                   |                                |                    |                   |                     |                     |                     |                     |
| Total .....  | 100              | 36                                | 64                             | 2                  | 18                | 15                  | 11                  | 8                   | 10                  |
| Life insurance is equal to annual earnings times: <sup>2</sup> |                  |                                   |                                |                    |                   |                     |                     |                     |                     |
| Less than 1.0 .....  | 4                | 1                                 | 3                              | -                  | ( <sup>0</sup> )  | 1                   | ( <sup>0</sup> )    | ( <sup>0</sup> )    | ( <sup>0</sup> )    |
| 1.0 .....  | 51               | 16                                | 35                             | 2                  | 14                | 7                   | 2                   | 4                   | 7                   |
| 1.1-1.4 .....  | ( <sup>0</sup> ) | ( <sup>0</sup> )                  | ( <sup>0</sup> )               | -                  | -                 | ( <sup>0</sup> )    | ( <sup>0</sup> )    | -                   | ( <sup>0</sup> )    |
| 1.5 .....  | 8                | 2                                 | 6                              | ( <sup>0</sup> )   | 2                 | 2                   | 1                   | 1                   | ( <sup>0</sup> )    |
| 1.6-1.9 .....  | ( <sup>0</sup> ) | -                                 | ( <sup>0</sup> )               | -                  | ( <sup>0</sup> )  | ( <sup>0</sup> )    | -                   | -                   | ( <sup>0</sup> )    |
| 2.0 .....  | 28               | 15                                | 13                             | ( <sup>0</sup> )   | 1                 | 4                   | 4                   | 3                   | 1                   |
| 2.1-2.4 .....  | 1                | ( <sup>0</sup> )                  | 1                              | -                  | -                 | -                   | 1                   | ( <sup>0</sup> )    | ( <sup>0</sup> )    |
| 2.5 .....  | 2                | 1                                 | 1                              | -                  | ( <sup>0</sup> )  | ( <sup>0</sup> )    | ( <sup>0</sup> )    | ( <sup>0</sup> )    | ( <sup>0</sup> )    |
| 2.6-2.9 .....  | ( <sup>0</sup> ) | -                                 | ( <sup>0</sup> )               | -                  | ( <sup>0</sup> )  | ( <sup>0</sup> )    | -                   | -                   | ( <sup>0</sup> )    |
| 3.0 .....  | 2                | ( <sup>0</sup> )                  | 2                              | -                  | ( <sup>0</sup> )  | ( <sup>0</sup> )    | 1                   | 1                   | ( <sup>0</sup> )    |
| More than 3.0 .....  | 2                | 1                                 | 1                              | -                  | -                 | ( <sup>0</sup> )    | 1                   | ( <sup>0</sup> )    | ( <sup>0</sup> )    |
| Multiple varying with earnings ....                            | 2                | ( <sup>0</sup> )                  | 1                              | -                  | -                 | 1                   | ( <sup>0</sup> )    | -                   | -                   |

See footnotes at end of table.

**Table 69. 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, medium and large firms, 1989—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>Production and service</b>                                  |                  |                                   |                                |                    |                   |                     |                     |                     |                     |
| Total .....  | 100              | 44                                | 56                             | 9                  | 9                 | 9                   | 10                  | 10                  | 8                   |
| Life insurance is equal to annual earnings times: <sup>2</sup> |                  |                                   |                                |                    |                   |                     |                     |                     |                     |
| Less than 1.0 .....  | 3                | 2                                 | 1                              | -                  | ( <sup>3</sup> )  | ( <sup>3</sup> )    | ( <sup>3</sup> )    | ( <sup>3</sup> )    | ( <sup>3</sup> )    |
| 1.0 .....  | 47               | 21                                | 25                             | 4                  | 4                 | 5                   | 2                   | 5                   | 5                   |
| 1.1-1.4 .....  | 1                | ( <sup>3</sup> )                  | 1                              | -                  | -                 | -                   | 1                   | -                   | ( <sup>3</sup> )    |
| 1.5 .....  | 9                | 2                                 | 8                              | ( <sup>3</sup> )   | 2                 | ( <sup>3</sup> )    | 3                   | 2                   | ( <sup>3</sup> )    |
| 1.6-1.9 .....  | 1                | -                                 | 1                              | -                  | 1                 | -                   | -                   | -                   | -                   |
| 2.0 .....  | 30               | 18                                | 13                             | 1                  | 1                 | 3                   | 3                   | 2                   | 2                   |
| 2.1-2.4 .....  | ( <sup>3</sup> ) | ( <sup>3</sup> )                  | -                              | -                  | -                 | -                   | -                   | -                   | -                   |
| 2.5 .....  | 7                | 1                                 | 5                              | 4                  | ( <sup>3</sup> )  | ( <sup>3</sup> )    | 1                   | ( <sup>3</sup> )    | 1                   |
| 2.6-2.9 .....  | ( <sup>3</sup> ) | -                                 | ( <sup>3</sup> )               | -                  | ( <sup>3</sup> )  | -                   | -                   | -                   | -                   |
| 3.0 .....  | 1                | ( <sup>3</sup> )                  | 1                              | -                  | ( <sup>3</sup> )  | 1                   | ( <sup>3</sup> )    | ( <sup>3</sup> )    | ( <sup>3</sup> )    |
| More than 3.0 .....  | ( <sup>3</sup> ) | ( <sup>3</sup> )                  | ( <sup>3</sup> )               | -                  | -                 | ( <sup>3</sup> )    | ( <sup>3</sup> )    | ( <sup>3</sup> )    | ( <sup>3</sup> )    |
| Multiple varying with earnings ....                            | 1                | ( <sup>3</sup> )                  | 1                              | -                  | -                 | ( <sup>3</sup> )    | ( <sup>3</sup> )    | -                   | -                   |

<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> When the multiple-of-earnings formula varied with age, the maximum multiple was tabulated. A few plans varied the multiple-of-earnings formula according to service; in these cases, a participant was assumed to

have 15 years of service.

<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 70. Life insurance: Percent of full-time participants in plans with flat dollar insurance<sup>1</sup> by amount of basic insurance, medium and large firms, 1989**

| Amount of insurance      | All participants | Professional and administrative participants | Technical and clerical participants | Production and service participants |
|--------------------------|------------------|--|-------------------------------------|-------------------------------------|
| Total .....              | 100              | 100  | 100                                 | 100                                 |
| Less than \$2,000 .....  | 2                | 1  | 1                                   | 2                                   |
| \$2,000-\$4,999 .....    | 8                | 5  | 5                                   | 10                                  |
| \$5,000-\$9,999 .....    | 28               | 31   | 29                                  | 27                                  |
| \$10,000-\$14,999 .....  | 34               | 29   | 32                                  | 36                                  |
| \$15,000-\$19,999 .....  | 10               | 8  | 13                                  | 10                                  |
| \$20,000-\$24,999 .....  | 6                | 9  | 6                                   | 6                                   |
| \$25,000-\$29,999 .....  | 7                | 10   | 7                                   | 6                                   |
| \$30,000-\$49,999 .....  | 2                | 1  | 3                                   | 2                                   |
| \$50,000-\$99,999 .....  | 2                | 5  | 4                                   | 1                                   |
| \$100,000 and over ..... | ( <sup>3</sup> ) | ( <sup>3</sup> )                             | ( <sup>3</sup> )                    | -                                   |

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

<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 71. Life Insurance: Average benefit amounts<sup>1</sup> for full-time participants by specified annual earnings and years of service, medium and large firms, 1989**

| Years of service                       | Annual salary |          |          |          |          |          |
|--|---------------|----------|----------|----------|----------|----------|
|  | \$15,000      | \$20,000 | \$25,000 | \$35,000 | \$45,000 | \$55,000 |
| <b>All participants</b>                |               |          |          |          |          |          |
| 5 years .....                          | \$20,266      | \$26,223 | \$31,684 | \$41,332 | \$50,156 | \$58,481 |
| 10 years .....                         | 20,439        | 26,396   | 31,858   | 41,505   | 50,330   | 58,655   |
| 20 years .....                         | 20,539        | 26,496   | 31,957   | 41,605   | 50,429   | 58,754   |
| <b>Professional and administrative</b> |               |          |          |          |          |          |
| 5 years .....                          | 22,402        | 29,602   | 36,484   | 48,065   | 58,688   | 69,616   |
| 10 years .....                         | 22,755        | 29,955   | 36,837   | 48,418   | 59,041   | 69,969   |
| 20 years .....                         | 22,962        | 30,162   | 37,044   | 48,625   | 59,247   | 70,175   |
| <b>Technical and clerical</b>          |               |          |          |          |          |          |
| 5 years .....                          | 21,476        | 28,375   | 34,531   | 45,634   | 56,340   | 66,122   |
| 10 years .....                         | 21,648        | 28,546   | 34,702   | 45,806   | 56,511   | 66,293   |
| 20 years .....                         | 21,743        | 28,641   | 34,797   | 45,901   | 56,606   | 66,388   |
| <b>Production and service</b>          |               |          |          |          |          |          |
| 5 years .....                          | 18,360        | 23,085   | 27,337   | 35,072   | 41,844   | 47,856   |
| 10 years .....                         | 18,427        | 23,151   | 27,403   | 35,139   | 41,910   | 47,923   |
| 20 years .....                         | 18,465        | 23,189   | 27,441   | 35,177   | 41,948   | 47,961   |

<sup>1</sup> Life insurance figures are average amounts from all types of plans prior to any age-related reductions in benefits.

**Table 72. Life insurance: Percent of full-time participants by provisions for age-related reduction of basic life insurance benefits for current employees, medium and large firms, 1989**

| Provision  | All participants | Professional and administrative participants | Technical and clerical participants | Production and service participants |
|--|------------------|--|-------------------------------------|-------------------------------------|
| Total .....  | 100              | 100  | 100                                 | 100                                 |
| Life insurance changes .....                       | 52               | 57   | 57                                  | 47                                  |
| Life insurance reduced .....                       | 52               | 57   | 57                                  | 47                                  |
| Reduction begins at:                               |                  |  |                                     |                                     |
| Age 60 or before .....                             | 1                | 2  | 1                                   | 1                                   |
| Ages 61 to 64 .....                                | ( <sup>1</sup> ) | ( <sup>1</sup> )                             | ( <sup>1</sup> )                    | ( <sup>1</sup> )                    |
| Age 65 .....                                       | 29               | 33   | 32                                  | 26                                  |
| Ages 66 to 69 .....                                | 3                | 3  | 3                                   | 3                                   |
| Age 70 .....                                       | 18               | 18   | 20                                  | 16                                  |
| Age 71 or later .....                              | 1                | 1  | 1                                   | 1                                   |
| Reduction in maximum life insurance benefits ..... | ( <sup>1</sup> ) | ( <sup>1</sup> )                             | ( <sup>1</sup> )                    | ( <sup>1</sup> )                    |
| Life insurance benefits do not change .....        | 48               | 43   | 43                                  | 53                                  |

<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 73. Life insurance: Percent of full-time participants with accidental death and dismemberment benefits by amount of coverage,<sup>1</sup> medium and large firms, 1989**

| Item                                     | All participants | Professional and administrative participants | Technical and clerical participants | Production and service participants |
|--|------------------|--|-------------------------------------|-------------------------------------|
| Total .....                              | 100              | 100  | 100                                 | 100                                 |
| Multiple of life insurance benefit ..... | 91               | 93   | 94                                  | 89                                  |
| Less than 1 times .....                  | 7                | 8  | 4                                   | 7                                   |
| 1 times .....                            | 82               | 81   | 86                                  | 80                                  |
| Greater than 1 times .....               | 3                | 4  | 3                                   | 2                                   |
| Flat amount .....                        | 7                | 5  | 5                                   | 10                                  |
| Less than \$5,000 .....                  | 1                | ( <sup>2</sup> )                             | ( <sup>2</sup> )                    | 1                                   |
| \$5,000-\$9,999 .....                    | 3                | 2  | 2                                   | 5                                   |
| \$10,000-\$19,999 .....                  | 1                | 1  | 1                                   | 2                                   |
| \$20,000-\$29,999 .....                  | 1                | 1  | 1                                   | 1                                   |
| \$30,000 or greater .....                | 1                | 1  | ( <sup>2</sup> )                    | 1                                   |
| Other <sup>3</sup> .....                 | 1                | 2  | 2                                   | 1                                   |

<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 74. Life insurance: Percent of full-time participants with dependent coverage available, by type and amount of coverage, medium and large firms, 1989**

| Type and amount of coverage                         | All participants | Professional and administrative participants | Technical and clerical participants | Production and service participants |
|---|------------------|--|-------------------------------------|-------------------------------------|
| Total .....   | 100              | 100  | 100                                 | 100                                 |
| Death of spouse .....                               | 100              | 100  | 100                                 | 100                                 |
| Flat benefit .....                                  | 65               | 62   | 59                                  | 69                                  |
| Less than \$1,000 .....                             | ( <sup>1</sup> ) | -  | -                                   | 1                                   |
| \$1,000 .....                                       | 12               | 8  | 9                                   | 15                                  |
| \$1,500 .....                                       | 3                | 5  | 2                                   | 3                                   |
| \$2,000 .....                                       | 11               | 9  | 11                                  | 13                                  |
| \$2,500 .....                                       | 4                | 3  | 2                                   | 6                                   |
| \$3,000 .....                                       | 3                | 3  | 2                                   | 3                                   |
| \$3,001 to \$3,999 .....                            | ( <sup>1</sup> ) | ( <sup>1</sup> )                             | ( <sup>1</sup> )                    | -                                   |
| \$4,000 .....                                       | 1                | 1  | 1                                   | 1                                   |
| \$5,000 .....                                       | 18               | 22   | 21                                  | 14                                  |
| More than \$5,000 .....                             | 12               | 11   | 10                                  | 13                                  |
| Benefit varies .....                                | 34               | 37   | 40                                  | 30                                  |
| By age of spouse .....                              | ( <sup>1</sup> ) | ( <sup>1</sup> )                             | ( <sup>1</sup> )                    | -                                   |
| By employee earnings .....                          | ( <sup>1</sup> ) | 1  | ( <sup>1</sup> )                    | ( <sup>1</sup> )                    |
| By employee option .....                            | 31               | 33   | 34                                  | 29                                  |
| By amount of employee life insurance coverage ..... | 3                | 3  | 6                                   | 1                                   |
| Amount of coverage not determinable .....           | 1                | 1  | 2                                   | 1                                   |
| Insurance on spouse not provided .....              | ( <sup>1</sup> ) | ( <sup>1</sup> )                             | ( <sup>1</sup> )                    | ( <sup>1</sup> )                    |
| Death of child .....                                | 97               | 98   | 98                                  | 96                                  |
| Flat benefit .....                                  | 57               | 59   | 55                                  | 56                                  |
| Less than \$1,000 .....                             | 1                | 1  | 1                                   | 1                                   |
| \$1,000 .....                                       | 16               | 14   | 16                                  | 17                                  |
| \$1,001 to \$1,499 .....                            | ( <sup>1</sup> ) | ( <sup>1</sup> )                             | ( <sup>1</sup> )                    | ( <sup>1</sup> )                    |
| \$1,500 .....                                       | 7                | 9  | 7                                   | 6                                   |
| \$2,000 .....                                       | 11               | 12   | 9                                   | 11                                  |
| \$2,500 .....                                       | 6                | 5  | 5                                   | 8                                   |
| \$3,000 .....                                       | 2                | 3  | 3                                   | 1                                   |
| \$3,001 to \$3,999 .....                            | ( <sup>1</sup> ) | 1  | 1                                   | ( <sup>1</sup> )                    |
| \$4,000 .....                                       | 1                | 1  | 1                                   | 1                                   |
| \$5,000 .....                                       | 8                | 11   | 9                                   | 6                                   |
| More than \$5,000 .....                             | 4                | 3  | 2                                   | 5                                   |
| Benefit varies .....                                | 40               | 39   | 41                                  | 39                                  |
| By age of child <sup>2</sup> .....                  | 13               | 11   | 11                                  | 16                                  |
| By employee earnings .....                          | ( <sup>1</sup> ) | 1  | ( <sup>1</sup> )                    | ( <sup>1</sup> )                    |
| By employee option .....                            | 25               | 26   | 29                                  | 23                                  |
| By amount of employee life insurance coverage ..... | ( <sup>1</sup> ) | 1  | 1                                   | ( <sup>1</sup> )                    |
| Amount of coverage not determinable .....           | 1                | 1  | 1                                   | 1                                   |
| Insurance on child not provided .....               | 3                | 2  | 2                                   | 4                                   |

<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 75. Life insurance: Percent of full-time participants by effect of retirement on basic life insurance coverage, medium and large firms, 1989**

| Effect of retirement                     | All participants | Professional and administrative participants | Technical and clerical participants | Production and service participants |
|--|------------------|--|-------------------------------------|-------------------------------------|
| Total .....                              | 100              | 100  | 100                                 | 100                                 |
| Insurance continues <sup>1</sup> .....   | 42               | 41   | 43                                  | 42                                  |
| Continues for life .....                 | 41               | 40   | 42                                  | 41                                  |
| Continues in full .....                  | 4                | 3  | 3                                   | 4                                   |
| Reduced during retirement .....          | 38               | 37   | 39                                  | 37                                  |
| Once .....                               | 23               | 20   | 23                                  | 25                                  |
| More than once .....                     | 15               | 17   | 16                                  | 12                                  |
| Ceases during retirement .....           | ( <sup>2</sup> ) | 1  | ( <sup>2</sup> )                    | ( <sup>2</sup> )                    |
| Provision not determinable .....         | ( <sup>2</sup> ) | ( <sup>2</sup> )                             | 1                                   | ( <sup>2</sup> )                    |
| Insurance discontinued immediately ..... | 58               | 59   | 57                                  | 58                                  |

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

<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 76. Life insurance: Percent of full-time participants by length-of-service requirements for participation,<sup>1</sup> medium and large firms, 1989**

| Length-of-service requirement                            | All participants | Professional and administrative participants | Technical and clerical participants | Production and service participants |
|--|------------------|--|-------------------------------------|-------------------------------------|
| Total .....  | 100              | 100  | 100                                 | 100                                 |
| With service requirement .....                           | 51               | 41   | 47                                  | 59                                  |
| 1 month .....  | 14               | 13   | 13                                  | 15                                  |
| 2 months .....   | 8                | 4  | 4                                   | 12                                  |
| 3 months .....   | 18               | 15   | 20                                  | 19                                  |
| 4-5 months .....   | 1                | ( <sup>2</sup> )                             | ( <sup>2</sup> )                    | 1                                   |
| 6 months .....   | 9                | 6  | 8                                   | 11                                  |
| 7-11 months .....  | ( <sup>2</sup> ) | ( <sup>2</sup> )                             | ( <sup>2</sup> )                    | ( <sup>2</sup> )                    |
| 1 year .....   | 2                | 2  | 2                                   | 2                                   |
| Over 1 year .....  | ( <sup>2</sup> ) | ( <sup>2</sup> )                             | ( <sup>2</sup> )                    | ( <sup>2</sup> )                    |
| Without service requirement .....                        | 46               | 56   | 49                                  | 39                                  |
| Service requirement not determinable .....               | 3                | 2  | 4                                   | 2                                   |
| Not applicable—plan not available to new employees ..... | ( <sup>2</sup> ) | ( <sup>2</sup> )                             | ( <sup>2</sup> )                    | ( <sup>2</sup> )                    |

<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 Pension Plans

A defined benefit pension plan obligates an employer to provide retirement benefits calculated through use of a specific formula contained in the plan. Benefits generally are based on salary, years of service, or both. An employer, however, ordinarily has considerable latitude in financing these benefits. In 1989, 63 percent of employees in medium and large firms participated in defined benefit pension plans, unchanged from the coverage reported in 1988 when the survey expanded to smaller establishments and more service industries.

To evaluate the full extent of retirement benefits available to employees in medium and large firms, defined contribution plans must also be considered. These plans, which specify employer and, if applicable, employee contributions, but do not guarantee a specific benefit, are discussed in the next chapter.

The Employee Benefits Survey found a variety of defined benefit pension plan provisions. The provisions examined included: Formulas for calculating benefits, how benefits are coordinated with Social Security payments, ceilings on benefit payments, age and service requirements for retirement, disability retirement benefits, adjusting accrued benefits of older workers, postretirement pension increases, vesting schedules, survivor annuities, employee contributions, and plan participation requirements. To summarize the overall effect of many of these provisions, pension benefits and replacement rates (the proportion of preretirement income replaced by pension payments) were computed for workers with several assumed levels of earnings and years of service. Each of these topics is discussed in the following sections of this chapter.

### Benefit formulas

Earnings-based formulas applied to 76 percent of the employees covered by defined benefit pension plans (tables 77 to 82). Such formulas pay a percent of the employee's annual earnings per year of service (for example, 1.5 percent of earnings times 30 years of service, or 45 percent of annual earnings).

However, variations are common in the approach to calculating annual earnings and the rate paid per year of service. For 85 percent of the participants with earnings formulas, pensions were based on earnings in the final years of employment (terminal-earnings formula); for the re-

mainder, an average of career earnings was used (career-earnings formula).

For 81 percent of the participants with terminal-earnings formulas, terminal earnings were defined as the average over a 5-year period. Such formulas usually designated the 5 consecutive years with the highest earnings out of the last 10 years before retirement.

Formulas based on terminal earnings typically provided participants with a flat percent of earnings per year of service. These flat rates generally ranged from 1 to 2 percent of earnings and averaged 1.55 percent per year of service.

Nearly three-fifths of participants in plans with formulas based on percentages of career earnings had benefit formulas that varied according to service, earnings, age, or a combination of factors. For example, a plan will credit an employee with 1 percent of earnings up to the first \$12,000 in each year of service plus 1.5 percent of the earnings exceeding that amount. The annual pension payment is the sum of these credits. (This approach is often followed to lower employer costs for wage levels upon which Social Security taxes are paid, as described in the next section.) Where career-earnings formulas specified a uniform percent for each year of service, the average was 1.54 percent.

It is difficult to judge whether terminal- or career-earnings formula plans provide the more generous pension payment, because different variables go into computing benefits. For example, calculated average earnings will generally be lower under career-earnings formulas,<sup>28</sup> but these benefits are less likely to be offset by a retiree's Social Security payments. (See next section.) In addition, although the average flat rate per year of service differed only slightly between formulas, terminal-earnings formulas imposed a maximum on years of service to be included in calculating benefits much more often than career-earnings formulas. (See maximum benefits, below.)

The earnings that are used in computing both terminal- and career-earnings formula pension benefits are very similar. Just over half the participants were in plans that included only "basic" earnings, that is, straight-time earn-

<sup>28</sup> An employee who worked 30 years with a 5-percent pay increase each year and who earned \$25,000 in the last year of service would have career average earnings of \$13,451 a year, while the final 5-year average would be \$22,730. The difference between the career and the final averages lessens with shorter lengths of service.

ings. The remainder had additional earnings included in the benefit calculation, such as overtime pay and shift differentials.

Most plans that did not use a percent-of-earnings benefit formula specified a dollar amount to be paid for each year of service, such as \$20 monthly, which, after 30 years of service, yields a pension of \$600 a month. Dollar-amount formulas applied to nearly one-fourth of pension plan participants. While the dollar amount in these formulas sometimes varied with an employee's earnings or service, the predominant method was to multiply a uniform (single) dollar amount by years of service. Uniform amounts credited per year averaged \$20 a month, an increase of nearly \$2 per year over the 1988 average.

The basis of pension payments differed sharply by employee group. While a large majority of white-collar participants were provided earnings-based pensions, dollar-amount formulas applied to nearly two-fifths of the blue-collar participants.

Two additional types of defined benefit pension plan formulas accounted for the remaining participants. Percent-of-contribution formulas specify a periodic contribution by an employer, and occasionally by an employee, to a plan. Benefits are a percent of total contributions, for example, 1 percent of total contributions per month. If career contributions totaled \$40,000, monthly pension benefits would equal \$400. Similarly, cash account pension plans specify an employer contribution and a rate of interest on that contribution. Benefits are computed as a percent of each employee's account balance. While both types of pension formulas have features that resemble defined contribution plans, the fact that a certain level of benefit is guaranteed by the employer leads to their classification as defined benefit plans by the Internal Revenue Service.

Thirty-eight percent of all pension plan participants were eligible to receive benefits from either primary or alternative formulas, whichever was greater. Alternative formulas were often included to provide at least a minimum level of benefits for persons with short service or low earnings. For example, a plan may have a primary formula of 1.25 percent of average career earnings times years of service, and an alternative formula of \$15 a month (or \$180 a year) for each year of service. In this case, the alternative formula would provide a higher benefit for persons with average career earnings of less than \$14,400 a year.

### **Private benefits and Social Security payments**

Employers providing private retirement plans also share the cost of Social Security coverage equally with their employees. Because many plan sponsors feel that private pension and Social Security benefits should not be duplicative, formulas for calculating private pensions often contain an offset provision under which part of the Social Security pension is subtracted from the annuity (table 83).

Social Security offsets are generally applied immediately upon retirement, whether or not the retiree is eligible for Social Security benefits. (Only 7 percent of participants were in plans that delayed imposition of the Social Security offset until Social Security payments begin.) Other plans coordinate with Social Security through "excess" formulas that apply lower pension benefit rates to an employee's earnings below a specified level (either the Social Security taxable wage base—usually the career average—or a dollar amount equal to a past taxable wage base).

Benefit formulas were "integrated" with Social Security for 63 percent of all pension plan participants. Terminal-earnings formulas of integrated plans tended to adopt the offset approach, while career-earnings formulas tended to incorporate the excess approach. Dollar-amount formulas were rarely coordinated with Social Security; blue-collar employees, therefore, were less likely to have integrated benefits.<sup>29</sup> (See chart 4.)

### **Maximum benefit provisions**

The Employee Retirement Income Security Act of 1974 (ERISA) and subsequent amendments place ceilings on the size of annual pensions from defined benefit plans. These restrictions largely affect only highly compensated employees. Many plans, however, have provisions that restrict benefit levels for all participants. For example, 37 percent of participants were in plans that limited the number of years of service included in benefit computations; maximums of 30, 35, or 40 years were most common. For 6 percent of the participants, annual pensions (usually including Social Security payments) could not exceed a specified percent of average annual terminal earnings, or a specified dollar amount (table 84).

Finally, 4 percent of participants were in defined benefit pension plans that were offset by payments from a defined contribution plan. These defined benefit plans were intended to provide a "floor" of protection below which retirement benefits could not fall. They generally were coordinated with a profit sharing plan, and only provided benefits when the profit sharing benefit did not yield the guaranteed floor of protection.

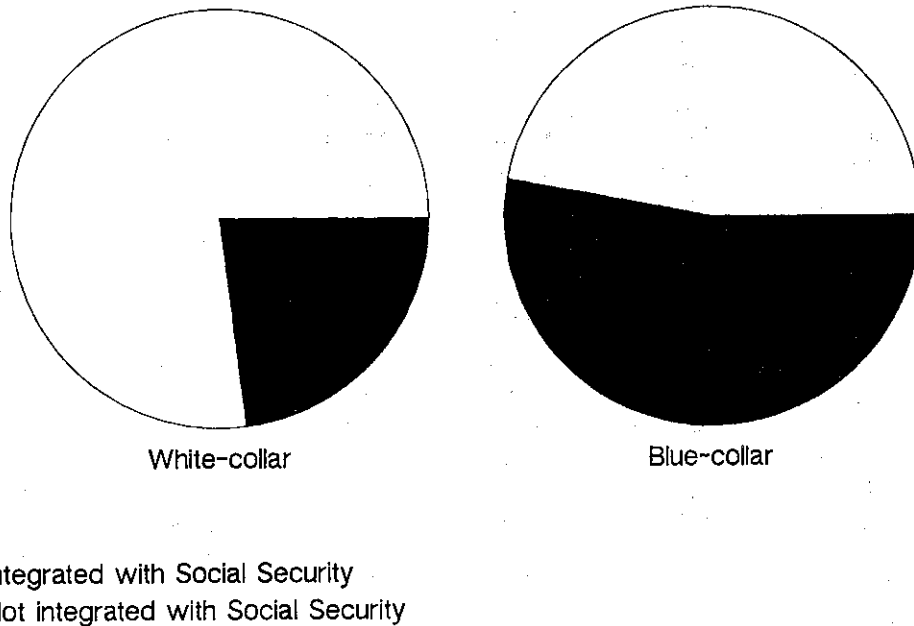
### **Replacement rates**

A commonly used indicator of a pension benefit is the portion of a retiree's final year's earnings that is "replaced" by the pension. To calculate replacement rates for 1989 defined benefit pension plans, the maximum private 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 service. These benefit levels were then expressed as percents of earnings in the last year of employ-

<sup>29</sup> For a comprehensive analysis of formulas with the 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.



**Chart 4. Defined benefit pension plans: Percent of full-time white- and blue-collar participants by provisions for integration with Social Security benefits, medium and large firms, 1989**



ment. The calculations assume employees retired on January 1, 1989, and final earnings are for 1988.<sup>30</sup>

Average replacement rates resulting from defined benefit pension plans alone and in combination with primary Social Security benefits (that is, excluding benefits for spouse and other dependents) are presented in table 85.<sup>31</sup> For private 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 and to have paid into Social Security for 40 years.

Chart 5 displays replacement rates based on 30 years of service for each of the earnings assumptions. Except for the lowest earnings assumption (\$15,000), the private pension plan replaced on average about 30 percent of the final year's earnings; the rate for \$15,000 was about 35 percent.

When combined with primary Social Security payments

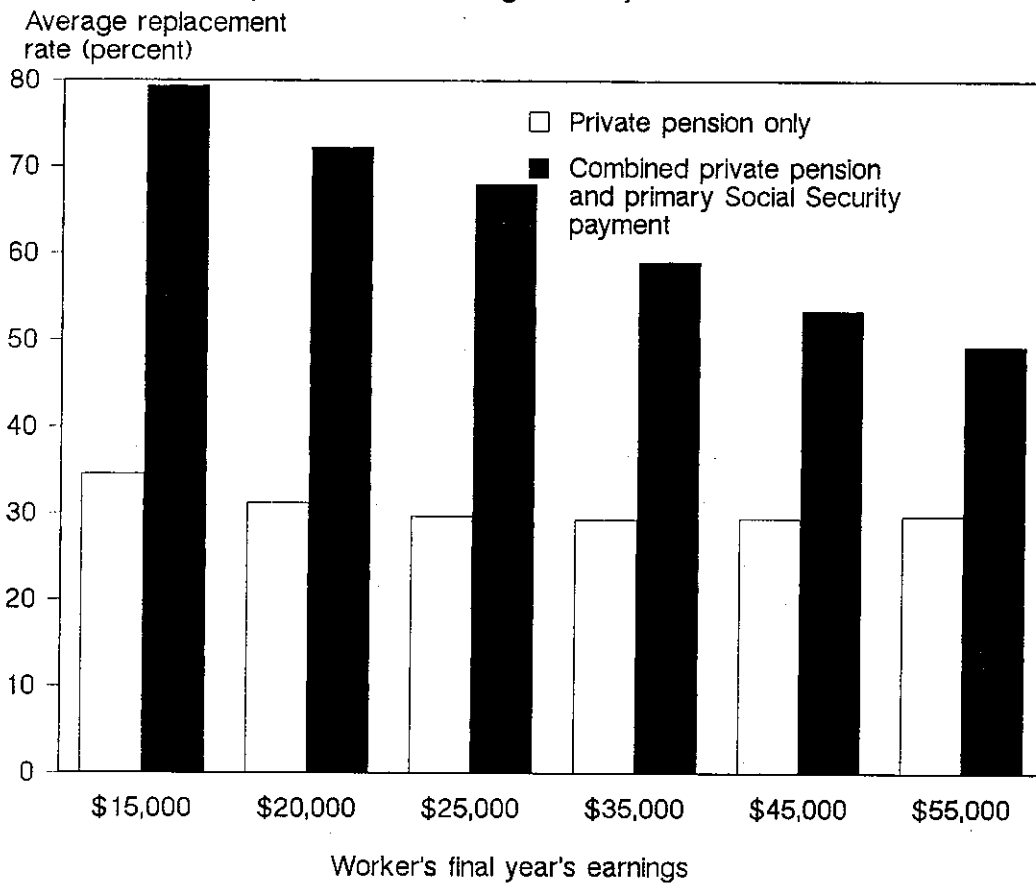
<sup>30</sup> Earnings histories, necessary for applying the pension formulas, were constructed for each final earnings level based on data provided by the Social Security Administration.

<sup>31</sup> The Social Security spouse benefit, 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).

available at age 65, however, replacement rates differed substantially as earnings increased. Workers earning \$15,000 in their final year had about four-fifths of earnings (\$11,910) replaced after 30 years of service, while just under one-half of earnings was replaced for workers at the highest earnings level computed ( $\$55,000 \times .494 = \$27,170$ ). The primary Social Security benefit payment was larger than the average private pension at lower earnings levels, but the pension benefit became the greater component as earnings increased.

Although private pension replacement rates (excluding Social Security) for white-collar employees remained fairly constant at higher earnings levels, rates for blue-collar workers dropped by about a third. Table 77 provides an explanation: Nearly two-fifths of all production and service workers have dollar-amount formulas, paying workers with the same years of service the same benefit, regardless of earnings history. The result is a steady decrease in the replacement rate as final earnings increase. Average replacement rates for earnings-based formulas, on the other hand, increase slightly with higher final earnings.

**Chart 5. Defined benefit pension plans: Average replacement rates including and excluding Social Security payments, based on 30 years of service, medium and large firms, 1989**



### Normal retirement

A majority of defined benefit pension plan participants could retire before age 65 and still receive full private pensions (normal retirement benefits) (table 86). Thirty-eight percent of participants were required to be age 65 to receive such unreduced benefits, down from 41 percent in 1988. Workers who were age 65 usually did not have to satisfy a length-of-service requirement.

When normal retirement was permitted prior to age 65, however, plans generally imposed a minimum service requirement. For example, normal retirement at age 62 was available to 22 percent of participants but nearly three-fourths had to have worked 10 years or more; 13 percent could retire at age 60, but the majority of these workers also had a service requirement. Few participants could retire with unreduced benefits prior to age 60, but those who could generally had to work 30 years. Retirement at any age with the required amount of service was twice as common in plans covering blue-collar workers as in those covering white-collar workers.

Plans that required combining a worker's age and service to reach a specified sum for retirement with full bene-

fits covered 12 percent of participants. The most common age-plus-service requirements were 85 and 90. This type of arrangement usually specified a minimum age of 55. Minimum lengths of service were less common. (When a plan specified alternative age and service requirements for normal retirement, such as age 62 with 10 years of service or age 55 with 20 years of service, the earliest age and associated service was tabulated. This is also true for early retirement age and service requirements discussed below.)

### Early retirement

Virtually all of the employees participating in defined benefit pension plans could retire before normal retirement age and receive an immediate, but reduced, pension (tables 87 to 88). Early retirement was almost always solely at the employee's option; only 1 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 95 percent of participants in plans that allowed ear-

ly retirement, the benefit was based on the normal retirement formula. Most of the remaining participants had benefits based on the normal retirement formula prorated to account for lower years of service at early retirement. For example, employees retiring with 20 years of service at age 55, who would have had 27 years of service if they had worked to the plan's normal retirement age of 62, would receive benefits based on 74 percent (20 divided by 27) of the normal retirement formula.

Once the basis for computing benefits is determined, the benefit derived from that formula is 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 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. Reduction factors that differed for each year of early retirement, based on the employee's life expectancy at that age (actuarial reductions), were used in plans covering 17 percent of participants with early retirement opportunities. Other methods of reducing benefits approximate an actuarial reduction. For example, for 32 percent of the participants, the reduction factor differed for age brackets of several years instead of changing each year. Half the participants had uniform reduction factors, most commonly 3, 4, 5, or 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.

Nearly seven-tenths of all participants were covered by plans permitting early retirement at age 55; generally, 10 years of service was required. If service requirements were satisfied, 16 percent of all participants could retire earlier than age 55. Many of these participants could retire with reduced benefits at any age, generally after 30 years of service.

The early retirement pension for 10 percent of participants was supplemented by additional monthly payments if employees retired after meeting a specified age or length-of-service requirement higher than the minimum needed to retire. Plan sponsors include these supplementary benefits either to induce older workers to retire or as a reward for long service. Supplements generally last until Social Security benefits are payable.

The survey also covered special incentives employers may offer, outside of formal pension plan provisions, to employees who retire within a specified time period. These early retirement incentives, often called "open windows," provide a short period, usually a few months, for employees to choose early retirement with some added ad-

vantage over regular pension plan provisions. Such programs are often used to achieve needed reductions in staff without resorting to layoffs. Firms that offered at least one early retirement incentive to eligible workers over the past 5 years covered 17 percent of defined benefit pension plan participants.

Most participants were in plans that offered just one open window in the last 5 years. The following lists the major incentives offered and the frequency with which they were found. (It was common for more than one incentive to be offered as part of a single open-window program.<sup>32</sup>)

*Percent of participants in firms offering an early retirement incentive*

25 to 40 percent

*Incentive*

Additional years of age and/or service used in computing benefits.

Monthly supplements for a specified period or for life.

10 to 24 percent

Continuation of the same health care and life insurance benefits available to active employees (without benefit reductions or changes in the amount the retiree must contribute).

No reduction in annuity due to its early receipt.

Less than 10 percent

Lump-sum payment at retirement in addition to annuity.

### 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. Eighty-one percent of pension plan participants were covered by some type of disability retirement provision in 1989 (table 89).

Two-thirds of the blue-collar workers with disability retirement coverage were in plans with immediate benefits. In contrast, white-collar workers were more likely to be in plans with deferred benefits. Workers with deferred benefits were usually given long-term disability insurance (LTD) benefits that typically provided 50 or 60 percent of earnings at the time of disability; this was more than was generally provided by pension plans with immediate disability retirement. Furthermore, most deferred retirement benefits were greater than immediate pensions, primarily because the time during which LTD benefits were paid was typically added to an employee's length of service for com-

<sup>32</sup> For more information on early retirement incentives, see "Early Retirement Incentives Offered to 24 Percent of Companies in 1986," *Spencer's Research Reports*, July 1987, pp.111.02.-1-10.

putation of pension benefits. (See chapter 4 for details of LTD benefit plans.)<sup>33</sup>

Eligibility for disability retirement benefits usually depended on length of service; generally 10 years or more were required. Twelve percent of the participants, however, had no age or service requirement, and 31 percent had to meet the qualifications of their LTD plans, which usually imposed service requirements of 3 months or less.

### Postponed retirement

Although all employees may continue to work after normal retirement age and accrue regular pension benefits, in 1989 only 9 percent of the pension plan participants could receive benefit increases that reflected specific adjustments for service beyond age 65 (table 90).<sup>34</sup> Most of 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. Plans that increased pensions for current retirees at least once during the 1984-88 period covered 28 percent of pension plan participants. Most of these increases were discretionary, or ad hoc, rather than automatic. Ad hoc increases were made to beneficiaries under plans covering 22 percent of participants (table 91 to 92).

The amounts of ad hoc 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, either a uniform amount or varying by the length of retirement.

Since the survey provides only 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.

The size of ad hoc pension increases during 1984-88 was computed for each plan granting such an increase, using three retirement lengths (5, 10, and 15 years) and two monthly pension amounts (\$250 and \$750) in effect on December 31, 1983. Where increases varied by a retiree's

length of service, 25 years of service was assumed. These increases were then averaged, by multiplying them by the proportion of active workers participating, to provide surveywide estimates for each example. As shown in the tabulations below, the length of retirement was a significant factor in determining the size of pension adjustments, with larger increases paid to persons retired longest.

|   | Years of retirement |       |       |
|---|---------------------|-------|-------|
|   | 5                   | 10    | 15    |
| <i>Monthly pension on December 31, 1983</i> |                     |       |       |
| <b>\$250:</b>                               |                     |       |       |
| Average pension on December 31, 1988 .....  | \$266               | \$276 | \$284 |
| Percent change, December 31, 1983-88 .....  | 6                   | 10    | 14    |
| <b>\$750:</b>                               |                     |       |       |
| Average pension on December 31, 1988 .....  | \$786               | \$813 | \$839 |
| Percent change, December 31, 1983-88 .....  | 5                   | 8     | 12    |

The BLS Consumer Price Index for All Urban Consumers (CPI-U) rose 19 percent over the 5-year period studied.<sup>35</sup> For retirees in plans with ad hoc adjustments, and with monthly pensions and years of retirement shown above, average adjustments ranged from 5 to 14 percent over the same 5-year period.

Plans that provided for automatic increases in pension benefits to compensate for increases in the cost of living covered 7 percent of all participants. In most instances, these cost-of-living-adjustment formulas were based on changes in the BLS Consumer Price Index. Adjustments were often restricted, however, by provisions that limited the benefit change to a portion of the CPI change, by ceilings (generally 3 percent or less) on the periodic increase that could be applied, and, infrequently, by maximum lifetime increases. Plans providing cost-of-living increases most often called for annual adjustments.

The survey also provided information on the incidence of lump-sum payments made to current retirees to compensate for inflation. In 1989, 6 percent of participants were in plans that gave retirees at least one lump-sum payment during the 1984-88 period, typically \$200. Most plans providing these lump sums also provided, during the same period, permanent increases in regular monthly annuities.

### Vesting

Even when an employee leaves an employer before becoming eligible for either a normal, early, or disability retirement benefit, a pension may ultimately be paid (tables 93 to 94). If certain conditions are satisfied at the time of separation, workers have a vested interest in all or a portion of their accrued pension benefits and may begin receiving benefits years later.

Although all pension participants are entitled to vested benefits under the Employee Retirement Income Security

<sup>33</sup> For a more complete discussion of disability retirement, see Donald Bell and William Wiatrowski, "Disability Benefits for Employees in Private Pension Plans," *Monthly Labor Review*, August 1982, pp. 36-40.

<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.

<sup>35</sup> The rate of increase was determined by comparing the annual average CPI-U for 1988 to the annual average CPI-U for 1983. For a discussion of postretirement increases, see Donald G. Schmitt, "Postretirement Increases under Private Pension Plans," *Monthly Labor Review*, September 1984, pp. 3-8.

Act (ERISA), some variations exist as to when this occurs. As a result of the Tax Reform Act of 1986, however, plan sponsors adopted shorter vesting schedules in 1989. For example, 50 percent of the participants in defined benefit pension plans had to complete 5 years of service before benefits were guaranteed (cliff vesting), up substantially from 5 percent reported in 1988. In contrast, the number of participants in plans requiring 10 years of service for cliff vesting declined from 77 percent in 1988 to 38 percent in 1989.

Generally, participants accrued years of vested service regardless of age, although about one-sixth were affected by the plan sponsor's right to exclude years of service before a specified age in determining vesting eligibility. Participants not in plans with cliff vesting generally were covered by a graduated vesting provision, which increased the portion of guaranteed benefits as years of service increased.

Unreduced vested pension payments begin at the plan's normal retirement age, based on the benefit formula in effect when the employee left the plan. As an alternative, terminated and vested participants may receive a reduced pension prior to normal retirement age if the participant had satisfied the early retirement service requirement before leaving the plan.

For terminated and vested employees who wish to receive a pension beginning prior to normal retirement age, ERISA requires the benefit to be at least the actuarial equivalent of what would have been received starting at age 65. The actuarial equivalent benefit is a reduced amount determined by the life expectancy at the age that pension payments begin. Although under ERISA the reduction factor used in determining the pension for an employee no longer actively participating in a plan can be more severe than for early retirement, the same factor was used in plans covering 57 percent of the participants with early retirement provisions. Where reductions differed, it was most common to provide actuarial reductions to deferred vested benefits, eliminating the subsidy employers provide to employees choosing early retirement.<sup>36</sup>

### Postretirement survivor benefits

ERISA also requires defined benefit pension plans to make benefits available in such a way that at least 50 percent of the retiree's payments continue to the spouse after the retiree's death (table 95). When this type of pension—called a joint-and-survivor annuity—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, a pension benefit will be payable for the life of the surviving spouse. All

defined benefit pension plan participants had joint-and-survivor annuity options available to them in 1989.<sup>37</sup>

Joint-and-survivor annuities are based on an actuarial or arithmetic reduction of the employee's pension. About one-fourth of the participants were in plans offering only a joint-and-survivor option that provides a surviving spouse 50 percent of the retiree's adjusted pension. Three-fifths of participants had a choice of two alternative percentages or more (frequently 50, 67, and 100 percent) to be continued to the spouse, with corresponding reductions in their annuities.

As an alternative to joint-and-survivor annuities, 9 percent of participants were in plans providing a surviving spouse with a portion of the retiree's benefit. In these plans, the spousal annuity is close to what a 50-percent joint-and-survivor annuity might provide, but there is no reduction to the employee's pension to account for survivor benefits.

### Preretirement survivor benefits

All defined benefit pension plan participants also had survivor benefits available in case the employee died before retirement (table 96). Participants generally had to be vested before such benefits were available. For 73 percent of the participants, a surviving spouse would receive an annuity equivalent to the amount payable if the employee had retired on the day prior to death with a joint-and-survivor form of payment in effect. Most survivor pensions 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. However, for 9 percent of participants (down from 24 percent in 1980), preretirement joint-and-survivor protection involved an extra cost to the employee and was available only if elected. The cost was usually paid by the employee through a small deduction in the pension ultimately payable to either the employee or the surviving spouse.

Most of the remaining 27 percent of pension plan participants generally had a preretirement survivor annuity calculated as a portion of the employee's accrued benefit (the benefit earned as of the date of the employee's death, without a joint-and-survivor reduction). If an active employee dies after completion of the vesting requirement, a typical survivor would receive an annuity equal to 50 percent of the employee's accrued benefit to date. Payments may be reduced by the early retirement adjustment, and begin when the employee would have reached early retirement age. If the employee lives to become eligible for early retirement, the survivor benefit in many cases switches to the equivalent of a 50-percent joint-and-survivor benefit calculated as if the employee had retired on the day of death. (Where provisions changed based on age of the employee,

<sup>36</sup> For additional details on plan vesting requirements, see Avy D. Graham, "How Has Vesting Changed Since Passage of Employee Retirement Income Security Act?," *Monthly Labor Review*, August 1988, pp. 20-25.

<sup>37</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.

the earliest available preretirement survivor annuity was tabulated.)

### **Employee contributions**

The employer paid the full cost of defined benefit pension plans for 96 percent of participants. For employees who had to pay part of the cost, contributions were generally expressed as a percent of earnings. Typically, participants in contributory plans paid one rate (usually 2 or 4 percent) on earnings above a specified level, and a lower rate (or frequently zero) below that earnings level. The annual earnings level at which this break occurred was either a flat amount stated by the plan, or the Social Security taxable wage base (\$48,000 in 1989). Plans with varying employee contributions usually coordinated private benefits with Social Security payments; as discussed earlier, pension benefit computation rates used in these plans are often higher on earnings above the Social Security taxable wage base. Other participants in contributory plans paid a flat

percent of all earnings—rarely more than 3 percent.

### **Participation requirements**

Just over one-third of the employees with defined benefit pension plans had immediate coverage when they were hired (table 97). Approximately one-fourth could participate regardless of age but had to meet a years-of-service requirement, seldom more than 1 year. The remaining employees generally could not enter the pension plan until they reached age 21 and completed 1 year of service, the most restrictive requirement permitted under the Internal Revenue Code.<sup>38</sup> For 57 percent of employees with age or service requirements for plan participation, service prior to formal entry into the plan was included in the computation of pension benefits.

<sup>38</sup> However, some plans, such as church plans, are exempt from certain restrictions in the Internal Revenue Code and may require employees to meet greater age or length of service levels before coverage.

**Table 77. Defined benefit pension plans:<sup>1</sup> Percent of full-time participants by method of determining retirement payments, medium and large firms, 1989**

| Basis of payment <sup>2</sup>                | All participants | Professional and administrative participants | Technical and clerical participants | Production and service participants |
|--|------------------|--|-------------------------------------|-------------------------------------|
| Total .....                                  | 100              | 100  | 100                                 | 100                                 |
| Terminal earnings formula .....              | 64               | 77   | 76                                  | 51                                  |
| No alternative formula .....                 | 35               | 42   | 45                                  | 25                                  |
| Terminal earnings alternative .....          | 10               | 11   | 9                                   | 10                                  |
| Career earnings alternative .....            | 3                | 4  | 4                                   | 2                                   |
| Dollar amount alternative <sup>3</sup> ..... | 17               | 20   | 18                                  | 14                                  |
| Percent of contributions alternative .....   | ( <sup>4</sup> ) | ( <sup>4</sup> )                             | ( <sup>4</sup> )                    | -                                   |
| Career earnings formula .....                | 11               | 15   | 10                                  | 10                                  |
| No alternative formula .....                 | 6                | 8  | 7                                   | 4                                   |
| Career earnings alternative .....            | ( <sup>4</sup> ) | ( <sup>4</sup> )                             | ( <sup>4</sup> )                    | 1                                   |
| Dollar amount alternative <sup>3</sup> ..... | 5                | 7  | 3                                   | 5                                   |
| Dollar amount formula <sup>3</sup> .....     | 22               | 6  | 11                                  | 37                                  |
| No alternative formula .....                 | 19               | 5  | 9                                   | 32                                  |
| Dollar amount alternative <sup>3</sup> ..... | 2                | 1  | 2                                   | 3                                   |
| Percent of contributions alternative .....   | 1                | ( <sup>4</sup> )                             | ( <sup>4</sup> )                    | 1                                   |
| Percent of contributions formula .....       | 1                | ( <sup>4</sup> )                             | ( <sup>4</sup> )                    | 2                                   |
| Cash account .....                           | 2                | 2  | 3                                   | 1                                   |

<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: Percent of full-time participants in plans with percent of terminal earnings benefit formulas by type and amount of formula, medium and large firms, 1989**

| 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>Technical and clerical</b>           |                  |  |                        |  |                            |
| Total .....                             | 100              | 100  | 100                    | 100  | 100                        | Total .....                             | 100              | 100  | 100                    | 100  | 100                        |
| Flat percent per year of service .....  | 54               | 59   | 50                     | 47   | 87                         | Flat percent per year of service .....  | 51               | 60   | 40                     | 45   | 89                         |
| Less than 1.00 .....                    | 4                | 6  | 2                      | ( <sup>4</sup> )                                       | -                          | Less than 1.00 .....                    | 2                | 2  | 2                      | ( <sup>4</sup> )                                       | -                          |
| 1.00-1.24 .....                         | 8                | 6  | 10                     | 1  | -                          | 1.00-1.24 .....                         | 6                | 6  | 6                      | ( <sup>4</sup> )                                       | -                          |
| 1.25-1.49 .....                         | 7                | 1  | 14                     | 6  | -                          | 1.25-1.49 .....                         | 5                | ( <sup>4</sup> )                           | 10                     | 3  | -                          |
| 1.50-1.74 .....                         | 18               | 20   | 17                     | 20   | -                          | 1.50-1.74 .....                         | 16               | 17   | 13                     | 16   | -                          |
| 1.75-1.99 .....                         | 5                | 6  | 4                      | 7  | -                          | 1.75-1.99 .....                         | 6                | 7  | 4                      | 7  | -                          |
| 2.00-2.24 .....                         | 9                | 14   | 3                      | 10   | -                          | 2.00-2.24 .....                         | 11               | 17   | 4                      | 12   | -                          |
| 2.25-2.49 .....                         | 2                | 3  | ( <sup>4</sup> )       | 2  | -                          | 2.25-2.49 .....                         | 3                | 6  | ( <sup>4</sup> )       | 4  | -                          |
| 2.50-2.74 .....                         | 1                | 2  | -                      | 1  | -                          | 2.50-2.74 .....                         | 2                | 4  | -                      | 3  | -                          |
| 2.75 or greater .....                   | ( <sup>4</sup> ) | ( <sup>4</sup> )                           | ( <sup>4</sup> )       | ( <sup>4</sup> )                                       | -                          | 2.75 or greater .....                   | ( <sup>4</sup> ) | ( <sup>4</sup> )                           | ( <sup>4</sup> )       | ( <sup>4</sup> )                                       | -                          |
| Percent per year varies .....           | 46               | 41   | 50                     | 53   | 13                         | Percent per year varies .....           | 48               | 40   | 59                     | 54   | 11                         |
| By service .....                        | 16               | 16   | 17                     | 17   | -                          | By service .....                        | 19               | 19   | 19                     | 20   | -                          |
| By earnings .....                       | 24               | 23   | 25                     | 30   | -                          | By earnings .....                       | 25               | 19   | 33                     | 29   | -                          |
| By age .....                            | 3                | -  | 6                      | 3  | -                          | By age .....                            | 2                | -  | 5                      | 3  | -                          |
| By earnings and service .....           | 3                | 2  | 3                      | 3  | -                          | By earnings and service .....           | 2                | 1  | 3                      | 2  | -                          |
| Other <sup>5</sup> .....                | ( <sup>4</sup> ) | ( <sup>4</sup> )                           | ( <sup>4</sup> )       | ( <sup>4</sup> )                                       | -                          | Other <sup>5</sup> .....                | ( <sup>4</sup> ) | ( <sup>4</sup> )                           | ( <sup>4</sup> )       | ( <sup>4</sup> )                                       | -                          |
| <b>Professional and administrative</b>  |                  |  |                        |  |                            | <b>Production and service</b>           |                  |  |                        |  |                            |
| Total .....                             | 100              | 100  | 100                    | 100  | 100                        | Total .....                             | 100              | 100  | 100                    | 100  | 100                        |
| Flat percent per year of service .....  | 53               | 58   | 49                     | 47   | 89                         | Flat percent per year of service .....  | 58               | 59   | 56                     | 48   | 84                         |
| Less than 1.00 .....                    | 1                | 1  | 1                      | ( <sup>4</sup> )                                       | -                          | Less than 1.00 .....                    | 8                | 15   | 2                      | ( <sup>4</sup> )                                       | -                          |
| 1.00-1.24 .....                         | 6                | 6  | 6                      | ( <sup>4</sup> )                                       | -                          | 1.00-1.24 .....                         | 12               | 7  | 16                     | 1  | -                          |
| 1.25-1.49 .....                         | 6                | 1  | 10                     | 4  | -                          | 1.25-1.49 .....                         | 10               | ( <sup>4</sup> )                           | 19                     | 10   | -                          |
| 1.50-1.74 .....                         | 21               | 21   | 22                     | 21   | -                          | 1.50-1.74 .....                         | 18               | 22   | 15                     | 23   | -                          |
| 1.75-1.99 .....                         | 6                | 8  | 5                      | 8  | -                          | 1.75-1.99 .....                         | 4                | 4  | 4                      | 6  | -                          |
| 2.00-2.24 .....                         | 10               | 16   | 4                      | 11   | -                          | 2.00-2.24 .....                         | 5                | 10   | ( <sup>4</sup> )       | 6  | -                          |
| 2.25-2.49 .....                         | 2                | 3  | ( <sup>4</sup> )       | 2  | -                          | 2.25-2.49 .....                         | ( <sup>4</sup> ) | ( <sup>4</sup> )                           | ( <sup>4</sup> )       | ( <sup>4</sup> )                                       | -                          |
| 2.50-2.74 .....                         | 1                | 1  | -                      | 1  | -                          | 2.50-2.74 .....                         | 1                | 1  | -                      | 1  | -                          |
| 2.75 or greater .....                   | ( <sup>4</sup> ) | ( <sup>4</sup> )                           | ( <sup>4</sup> )       | ( <sup>4</sup> )                                       | -                          |   |                  |  |                        |  |                            |
| Percent per year varies .....           | 47               | 42   | 51                     | 53   | 11                         | Percent per year varies .....           | 42               | 41   | 44                     | 52   | 16                         |
| By service .....                        | 15               | 14   | 15                     | 16   | -                          | By service .....                        | 15               | 14   | 16                     | 16   | -                          |
| By earnings .....                       | 28               | 26   | 31                     | 33   | -                          | By earnings .....                       | 19               | 23   | 15                     | 26   | -                          |
| By age .....                            | 1                | -  | 3                      | 2  | -                          | By age .....                            | 4                | -  | 8                      | 5  | -                          |
| By earnings and service .....           | 2                | 2  | 2                      | 3  | -                          | By earnings and service .....           | 4                | 3  | 4                      | 5  | -                          |
| 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>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, or data were insufficient to show further breakouts.



**Table 79. Defined benefit pension plans:<sup>1</sup> Percent of full-time participants in plans with terminal earnings formulas by definition of terminal earnings, medium and large firms, 1989**

| Definition of terminal earnings | All participants | Professional and administrative participants | Technical and clerical participants | Production and service participants |
|---------------------------------|------------------|--|-------------------------------------|-------------------------------------|
| Total .....                     | 100              | 100  | 100                                 | 100                                 |
| Three years .....               | 16               | 16   | 15                                  | 17                                  |
| Last 3 .....                    | 1                | 2  | 2                                   | ( <sup>2</sup> )                    |
| High 3 .....                    | 3                | 2  | 2                                   | 4                                   |
| Of last 10 .....                | ( <sup>2</sup> ) | ( <sup>2</sup> )                             | 1                                   | ( <sup>2</sup> )                    |
| Of career .....                 | 2                | 1  | 1                                   | 4                                   |
| High consecutive 3 .....        | 12               | 12   | 11                                  | 13                                  |
| Of last 5 .....                 | 2                | 2  | 2                                   | 1                                   |
| Of last 10 .....                | 6                | 6  | 4                                   | 8                                   |
| Of career .....                 | 3                | 3  | 4                                   | 4                                   |
| Other .....                     | ( <sup>2</sup> ) | 1  | ( <sup>2</sup> )                    | ( <sup>2</sup> )                    |
| Five years .....                | 81               | 81   | 82                                  | 79                                  |
| Last 5 .....                    | 3                | 5  | 3                                   | 2                                   |
| High 5 .....                    | 12               | 8  | 9                                   | 18                                  |
| Of last 10 .....                | 3                | 4  | 2                                   | 4                                   |
| Of last 15 .....                | ( <sup>2</sup> ) | ( <sup>2</sup> )                             | ( <sup>2</sup> )                    | ( <sup>2</sup> )                    |
| Of career .....                 | 8                | 4  | 6                                   | 14                                  |
| High consecutive 5 .....        | 65               | 69   | 70                                  | 59                                  |
| Of last 10 .....                | 50               | 52   | 52                                  | 46                                  |
| Of last 15 .....                | ( <sup>2</sup> ) | 1  | 1                                   | ( <sup>2</sup> )                    |
| Of career .....                 | 15               | 16   | 17                                  | 12                                  |
| Other .....                     | ( <sup>2</sup> ) | ( <sup>2</sup> )                             | ( <sup>2</sup> )                    | ( <sup>2</sup> )                    |
| Other period <sup>3</sup> ..... | 4                | 3  | 3                                   | 4                                   |

<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 80. Defined benefit pension plans:<sup>1</sup> Percent of full-time participants with earnings-based benefit formulas, by definition of earnings, medium and large firms, 1989**

| Definition of earnings                                      | Total <sup>2</sup> | Terminal earnings formula | Career earnings formula | Definition of earnings                                      | Total <sup>2</sup> | Terminal earnings formula | Career earnings formula |
|---|--------------------|---------------------------|-------------------------|---|--------------------|---------------------------|-------------------------|
| <b>All participants</b>                                     |                    |                           |                         | <b>Technical and clerical</b>                               |                    |                           |                         |
| Total .....   | 100                | 100                       | 100                     | Total .....   | 100                | 100                       | 100                     |
| Basic, or straight-time, earnings only                      | 53                 | 55                        | 56                      | Basic, or straight-time, earnings only                      | 59                 | 60                        | 56                      |
| Basic, or straight-time, earnings plus other earnings ..... | 47                 | 45                        | 44                      | Basic, or straight-time, earnings plus other earnings ..... | 41                 | 40                        | 44                      |
| Overtime .....  | 37                 | 38                        | 34                      | Overtime .....  | 36                 | 35                        | 40                      |
| Shift differentials .....                                   | 30                 | 25                        | 34                      | Shift differentials .....                                   | 24                 | 22                        | 34                      |
| Bonuses .....   | 29                 | 29                        | 25                      | Bonuses .....   | 25                 | 26                        | 19                      |
| Commissions .....   | 28                 | 23                        | 30                      | Commissions .....   | 23                 | 21                        | 29                      |
| Definition of earnings not determinable .....               | ( <sup>3</sup> )   | ( <sup>3</sup> )          | -                       | <b>Production and service</b>                               |                    |                           |                         |
| <b>Professional and administrative</b>                      |                    |                           |                         | Total .....   | 100                | 100                       | 100                     |
| Total .....   | 100                | 100                       | 100                     | Basic, or straight-time, earnings only                      | 51                 | 53                        | 68                      |
| Basic, or straight-time, earnings only                      | 50                 | 53                        | 43                      | Basic, or straight-time, earnings plus other earnings ..... | 49                 | 47                        | 32                      |
| Basic, or straight-time, earnings plus other earnings ..... | 49                 | 47                        | 57                      | Overtime .....  | 37                 | 39                        | 27                      |
| Overtime .....  | 39                 | 38                        | 38                      | Shift differentials .....                                   | 33                 | 28                        | 23                      |
| Shift differentials .....                                   | 30                 | 25                        | 45                      | Bonuses .....   | 29                 | 31                        | 22                      |
| Bonuses .....   | 31                 | 29                        | 33                      | Commissions .....   | 30                 | 24                        | 24                      |
| Commissions .....   | 29                 | 25                        | 37                      |   |                    |                           |                         |
| Definition of earnings not determinable .....               | ( <sup>3</sup> )   | ( <sup>3</sup> )          | -                       |   |                    |                           |                         |

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

<sup>2</sup> Includes plans with benefit formulas based on a dollar amount that varies by earnings.

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

NOTE: Sums of individual items may be greater than totals because more than one type of earnings may be included in this definition. Where applicable, dash indicates no employees in this category.

**Table 81. Defined benefit pension plans:<sup>1</sup> Percent of full-time participants in plans with percent of career earnings benefit formulas by type and amount of formula, medium and large firms, 1989**

| 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>Professional and administrative</b>  |                  |  |                        |  |                            |
| Total .....                             | 100              | 100  | 100                    | 100  | 100                        | Total .....                             | 100              | 100  | 100                    | 100  | 100                        |
| Flat percent per year of service .....  | 40               | 59   | 39                     | 5  | 94                         | Flat percent per year of service .....  | 42               | 53   | 42                     | 5  | 96                         |
| 1.00-1.24 .....                         | 8                | -  | 8                      | -  | 20                         | 1.00-1.24 .....                         | 4                | -  | 4                      | -  | -                          |
| 1.25-1.49 .....                         | 5                | -  | 2                      | 1  | 9                          | 1.25-1.49 .....                         | 5                | -  | 3                      | -  | -                          |
| 1.50-1.74 .....                         | 18               | -  | 19                     | -  | 45                         | 1.50-1.74 .....                         | 24               | -  | 25                     | -  | -                          |
| 1.75-1.99 .....                         | 2                | -  | 2                      | 3  | -                          | 1.75-1.99 .....                         | 1                | -  | 1                      | -  | -                          |
| 2.00-2.24 .....                         | 6                | -  | 7                      | 1  | 15                         | 2.00-2.24 .....                         | 7                | -  | 7                      | -  | -                          |
| 2.25 or greater .....                   | 2                | -  | 2                      | -  | 5                          | 2.25 or greater .....                   | 1                | -  | 2                      | -  | -                          |
| Percent per year varies .....           | 59               | 41   | 60                     | 95   | 5                          | Percent per year varies .....           | 58               | 47   | 58                     | 95   | 4                          |
| By service .....                        | 4                | -  | 4                      | 3  | 5                          | By service .....                        | 4                | -  | 4                      | -  | -                          |
| By earnings .....                       | 43               | -  | 43                     | 71   | -                          | By earnings .....                       | 40               | -  | 40                     | -  | -                          |
| By age .....                            | ( <sup>4</sup> ) | -  | ( <sup>4</sup> )       | ( <sup>4</sup> )                                       | -                          | By age .....                            | ( <sup>4</sup> ) | -  | ( <sup>4</sup> )       | -  | -                          |
| By earnings and service .....           | 12               | -  | 13                     | 20   | -                          | By earnings and service .....           | 13               | -  | 14                     | -  | -                          |
| Other <sup>5</sup> .....                | ( <sup>4</sup> ) | -  | ( <sup>4</sup> )       | -  | 1                          | 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 career earnings formula, a primary formula was selected and tabulated. This table includes plans with career earnings formulas that serve as an alternative to a terminal earnings formula.

<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: Data were insufficient to show technical-clerical and production-service workers separately. Because of rounding, sums of individual items may not equal totals. Where applicable, dash indicates no employees in this category, or data were insufficient to show further breakouts.

**Table 82. Defined benefit pension plans:<sup>1</sup> Percent of full-time participants in plans with dollar amount benefit formulas<sup>2</sup> by type and amount of formula, medium and large firms, 1989**

| Type and amount of formula <sup>3</sup>             | Total | Provision for maximum benefit <sup>4</sup> |                        | Type and amount of formula <sup>3</sup>             | Total | Provision for maximum benefit <sup>4</sup> |                        |
|---|-------|--|------------------------|---|-------|--|------------------------|
|   |       | Subject to maximum                         | Not subject to maximum |   |       | Subject to maximum                         | Not subject to maximum |
| <b>All participants</b>                             |       |  |                        | <b>Production and service</b>                       |       |  |                        |
| Total .....   | 100   | 100  | 100                    | Total .....   | 100   | 100  | 100                    |
| Flat monthly amount per year of service .....       | 81    | 98   | 77                     | Flat monthly amount per year of service .....       | 81    | 99   | 77                     |
| Less than \$5.00 .....                              | 2     | -  | 2                      | Less than \$5.00 .....                              | 2     | -  | 3                      |
| \$5.00-\$9.99 .....                                 | 7     | 14   | 5                      | \$5.00-\$9.99 .....                                 | 8     | 18   | 6                      |
| \$10.00-\$14.99 .....                               | 12    | 17   | 10                     | \$10.00-\$14.99 .....                               | 13    | 18   | 12                     |
| \$15.00-\$19.99 .....                               | 18    | 34   | 13                     | \$15.00-\$19.99 .....                               | 16    | 24   | 14                     |
| \$20.00-\$24.99 .....                               | 23    | 20   | 24                     | \$20.00-\$24.99 .....                               | 25    | 24   | 25                     |
| \$25.00-\$29.99 .....                               | 16    | 5  | 19                     | \$25.00-\$29.99 .....                               | 13    | 5  | 16                     |
| \$30.00 or greater .....                            | 3     | 8  | 2                      | \$30.00 or greater .....                            | 4     | 10   | 2                      |
| Amount per year of service varies by service .....  | 2     | -  | 3                      | Amount per year of service varies by service .....  | 2     | -  | 2                      |
| Amount per year of service varies by earnings ..... | 15    | 1  | 19                     | Amount per year of service varies by earnings ..... | 17    | -  | 21                     |
| Flat monthly benefit varies by service .....        | 2     | 1  | 2                      | Flat monthly benefit varies by service .....        | 1     | 1  | ( <sup>5</sup> )       |

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

<sup>2</sup> Excludes plans with dollar amount formulas that serve as a minimum benefit alternative to a percent of earnings formula.

<sup>3</sup> If a plan contained more than one dollar amount formula, a primary formula was selected and tabulated.

<sup>4</sup> These maximum provisions are independent of Internal Revenue Code ceilings on pensions payable from defined benefit plans.

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

NOTE: Data were insufficient to show professional-administrative and technical-clerical workers separately. Because of rounding, sums of individual items may not equal totals. Where applicable, dash indicates no employees in this category.

**Table 83. Defined benefit pension plans:<sup>1</sup> Percent of full-time participants by provision for integration of pension with Social Security benefit, medium and large firms, 1989**

| Provision  | Type of benefit formula <sup>2</sup> |                   |                  |                  | Provision  | Type of benefit formula <sup>2</sup> |                   |                  |                  |
|--|--------------------------------------|-------------------|------------------|------------------|--|--------------------------------------|-------------------|------------------|------------------|
|  | Total <sup>3</sup>                   | Terminal earnings | Career earnings  | Dollar amount    |  | Total <sup>3</sup>                   | Terminal earnings | Career earnings  | Dollar amount    |
| <b>All participants</b>                              |                                      |                   |                  |                  | <b>Technical and clerical</b>                        |                                      |                   |                  |                  |
| Total .....  | 100                                  | 100               | 100              | 100              | Total .....  | 100                                  | 100               | 100              | 100              |
| With integrated formula .....                        | 63                                   | 86                | 62               | ( <sup>4</sup> ) | With integrated formula .....                        | 75                                   | 90                | 64               | ( <sup>4</sup> ) |
| Offset by Social Security payment <sup>5</sup> ..... | 41                                   | 62                | 7                | ( <sup>4</sup> ) | Offset by Social Security payment <sup>5</sup> ..... | 51                                   | 66                | 7                | ( <sup>4</sup> ) |
| Based on service <sup>6</sup> .....                  | 32                                   | 49                | 3                | -                | Based on service <sup>6</sup> .....                  | 39                                   | 52                | 2                | -                |
| Not based on service <sup>7</sup> .....              | 9                                    | 13                | 4                | ( <sup>4</sup> ) | Not based on service <sup>7</sup> .....              | 11                                   | 14                | 5                | ( <sup>4</sup> ) |
| Dollar amount .....                                  | ( <sup>4</sup> )                     | 1                 | ( <sup>4</sup> ) | -                | Dollar amount .....                                  | ( <sup>4</sup> )                     | ( <sup>4</sup> )  | ( <sup>4</sup> ) | -                |
| Percent of payment .....                             | 9                                    | 12                | 4                | ( <sup>4</sup> ) | Percent of payment .....                             | 11                                   | 14                | 4                | ( <sup>4</sup> ) |
| Pure excess <sup>8</sup> .....                       | ( <sup>4</sup> )                     | ( <sup>4</sup> )  | 3                | -                | Pure excess <sup>8</sup> .....                       | 1                                    | ( <sup>4</sup> )  | 3                | -                |
| Step-rate excess <sup>9</sup> .....                  | 24                                   | 27                | 53               | -                | Step-rate excess <sup>9</sup> .....                  | 28                                   | 27                | 54               | -                |
| Integrated with a Social Security breakpoint .....   | 15                                   | 16                | 31               | -                | Integrated with a Social Security breakpoint .....   | 18                                   | 17                | 30               | -                |
| Integrated with a specific dollar breakpoint .....   | 10                                   | 11                | 23               | -                | Integrated with a specific dollar breakpoint .....   | 11                                   | 10                | 24               | -                |
| Without integrated formula .....                     | 37                                   | 14                | 38               | 100              | Without integrated formula .....                     | 25                                   | 10                | 36               | 100              |
| <b>Professional and administrative</b>               |                                      |                   |                  |                  | <b>Production and service</b>                        |                                      |                   |                  |                  |
| Total .....  | 100                                  | 100               | 100              | 100              | Total .....  | 100                                  | 100               | 100              | 100              |
| With integrated formula .....                        | 78                                   | 89                | 60               | ( <sup>4</sup> ) | With integrated formula .....                        | 47                                   | 80                | 62               | ( <sup>4</sup> ) |
| Offset by Social Security payment <sup>5</sup> ..... | 48                                   | 61                | 7                | ( <sup>4</sup> ) | Offset by Social Security payment <sup>5</sup> ..... | 31                                   | 59                | 7                | ( <sup>4</sup> ) |
| Based on service <sup>6</sup> .....                  | 38                                   | 49                | 3                | -                | Based on service <sup>6</sup> .....                  | 24                                   | 47                | 3                | -                |
| Not based on service <sup>7</sup> .....              | 10                                   | 12                | 4                | ( <sup>4</sup> ) | Not based on service <sup>7</sup> .....              | 7                                    | 12                | 4                | ( <sup>4</sup> ) |
| Dollar amount .....                                  | ( <sup>4</sup> )                     | -                 | ( <sup>4</sup> ) | -                | Dollar amount .....                                  | 1                                    | 2                 | ( <sup>4</sup> ) | -                |
| Percent of payment .....                             | 10                                   | 12                | 3                | ( <sup>4</sup> ) | Percent of payment .....                             | 6                                    | 10                | 3                | ( <sup>4</sup> ) |
| Pure excess <sup>8</sup> .....                       | 1                                    | ( <sup>4</sup> )  | 2                | -                | Pure excess <sup>8</sup> .....                       | ( <sup>4</sup> )                     | -                 | 3                | -                |
| Step-rate excess <sup>9</sup> .....                  | 32                                   | 30                | 52               | -                | Step-rate excess <sup>9</sup> .....                  | 17                                   | 23                | 52               | -                |
| Integrated with a Social Security breakpoint .....   | 20                                   | 19                | 31               | -                | Integrated with a Social Security breakpoint .....   | 10                                   | 12                | 32               | -                |
| Integrated with a specific dollar breakpoint .....   | 13                                   | 11                | 21               | -                | Integrated with a specific dollar breakpoint .....   | 8                                    | 11                | 24               | -                |
| Without integrated formula .....                     | 22                                   | 11                | 40               | 100              | Without integrated formula .....                     | 53                                   | 20                | 38               | 100              |

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

<sup>2</sup> If a plan contained more than one benefit formula based on terminal earnings, career earnings, or dollar amounts, 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 a percent of employee or employer contributions and cash account plans.

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

<sup>5</sup> Benefit as calculated by formula is reduced by portion of primary Social Security payments.

<sup>6</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 maxi-

mum offset is frequently applied, for example, 50 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 does not apply to earnings subject to FICA (Social Security) taxes or below a specific dollar breakpoint.

<sup>9</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 84. Defined benefit pension plans:<sup>1</sup> Percent of full-time participants by maximum benefit provisions,<sup>2</sup> medium and large firms, 1989**

| Maximum benefit provision              | Type of benefit formula <sup>2</sup> |                   |                 |                  | Maximum benefit provision              | Type of benefit formula <sup>3</sup> |                   |                  |                  |
|--|--------------------------------------|-------------------|-----------------|------------------|--|--------------------------------------|-------------------|------------------|------------------|
|  | Total <sup>4</sup>                   | Terminal earnings | Career earnings | Dollar amount    |  | Total <sup>4</sup>                   | Terminal earnings | Career earnings  | Dollar amount    |
| <b>All participants</b>                |                                      |                   |                 |                  | <b>Technical and clerical</b>          |                                      |                   |                  |                  |
| Total .....                            | 100                                  | 100               | 100             | 100              | Total .....                            | 100                                  | 100               | 100              | 100              |
| Subject to maximum .....               | 41                                   | 55                | 4               | 25               | Subject to maximum .....               | 49                                   | 60                | 4                | 32               |
| Limit on years of credited service ... | 37                                   | 50                | 4               | 20               | Limit on years of credited service ... | 47                                   | 58                | 4                | 28               |
| Less than 20 .....                     | 1                                    | 1                 | -               | 1                | Less than 20 .....                     | 1                                    | 1                 | -                | 1                |
| 20 .....                               | 1                                    | 1                 | -               | ( <sup>5</sup> ) | 20 .....                               | ( <sup>5</sup> )                     | ( <sup>5</sup> )  | -                | ( <sup>5</sup> ) |
| 25 .....                               | 4                                    | 6                 | -               | 2                | 25 .....                               | 5                                    | 7                 | -                | 5                |
| 30 .....                               | 13                                   | 17                | 1               | 9                | 30 .....                               | 15                                   | 16                | 1                | 18               |
| 31-34 .....                            | 1                                    | 1                 | 1               | -                | 31-34 .....                            | 1                                    | 1                 | 1                | -                |
| 35 .....                               | 10                                   | 14                | 2               | 4                | 35 .....                               | 12                                   | 15                | 1                | 3                |
| 36-39 .....                            | ( <sup>5</sup> )                     | ( <sup>5</sup> )  | -               | -                | 36-39 .....                            | ( <sup>5</sup> )                     | ( <sup>5</sup> )  | -                | -                |
| 40 .....                               | 9                                    | 11                | 1               | 4                | 40 .....                               | 14                                   | 18                | 1                | 1                |
| 41-44 .....                            | ( <sup>5</sup> )                     | ( <sup>5</sup> )  | -               | -                | 41-44 .....                            | ( <sup>5</sup> )                     | ( <sup>5</sup> )  | -                | -                |
| 45 .....                               | ( <sup>5</sup> )                     | ( <sup>5</sup> )  | -               | -                | 45 .....                               | ( <sup>5</sup> )                     | ( <sup>5</sup> )  | -                | -                |
| Other maximum <sup>6</sup> .....       | 6                                    | 8                 | -               | 5                | Other maximum <sup>6</sup> .....       | 5                                    | 5                 | -                | 3                |
| Not subject to maximum .....           | 59                                   | 45                | 96              | 75               | Not subject to maximum .....           | 51                                   | 40                | 96               | 68               |
| <b>Professional and administrative</b> |                                      |                   |                 |                  | <b>Production and service</b>          |                                      |                   |                  |                  |
| Total .....                            | 100                                  | 100               | 100             | 100              | Total .....                            | 100                                  | 100               | 100              | 100              |
| Subject to maximum .....               | 44                                   | 54                | 4               | 25               | Subject to maximum .....               | 35                                   | 53                | 4                | 22               |
| Limit on years of credited service ... | 42                                   | 53                | 4               | 21               | Limit on years of credited service ... | 28                                   | 42                | 4                | 17               |
| Less than 20 .....                     | 1                                    | 1                 | -               | 1                | Less than 20 .....                     | 1                                    | 1                 | -                | ( <sup>5</sup> ) |
| 20 .....                               | ( <sup>5</sup> )                     | 1                 | -               | ( <sup>5</sup> ) | 20 .....                               | 1                                    | 1                 | -                | ( <sup>5</sup> ) |
| 25 .....                               | 5                                    | 6                 | -               | 3                | 25 .....                               | 3                                    | 5                 | -                | ( <sup>5</sup> ) |
| 30 .....                               | 14                                   | 16                | 2               | 11               | 30 .....                               | 11                                   | 18                | ( <sup>5</sup> ) | 5                |
| 31-34 .....                            | 1                                    | 1                 | 1               | -                | 31-34 .....                            | ( <sup>5</sup> )                     | 1                 | ( <sup>5</sup> ) | -                |
| 35 .....                               | 13                                   | 16                | 1               | 3                | 35 .....                               | 8                                    | 10                | 3                | 5                |
| 36-39 .....                            | ( <sup>5</sup> )                     | 1                 | -               | -                | 36-39 .....                            | ( <sup>5</sup> )                     | ( <sup>5</sup> )  | -                | -                |
| 40 .....                               | 10                                   | 13                | 1               | 3                | 40 .....                               | 5                                    | 6                 | ( <sup>5</sup> ) | 5                |
| 41-44 .....                            | ( <sup>5</sup> )                     | ( <sup>5</sup> )  | -               | -                | 41-44 .....                            | ( <sup>5</sup> )                     | ( <sup>5</sup> )  | -                | -                |
| 45 .....                               | ( <sup>5</sup> )                     | ( <sup>5</sup> )  | -               | -                | 45 .....                               | ( <sup>5</sup> )                     | 1                 | -                | -                |
| Other maximum <sup>6</sup> .....       | 5                                    | 5                 | -               | 4                | Other maximum <sup>6</sup> .....       | 8                                    | 12                | -                | 5                |
| Not subject to maximum .....           | 56                                   | 46                | 96              | 75               | Not subject to maximum .....           | 65                                   | 47                | 96               | 78               |

<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 based on terminal earnings, career earnings, or dollar amounts, 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 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 85. Defined benefit pension plans:<sup>1</sup> Average replacement rates for specified final earnings and years of service,<sup>2</sup> medium and large firms, 1989**

| Final annual earnings   | Years of service <sup>3</sup> |      |      |      |      |      |      |
|---|-------------------------------|------|------|------|------|------|------|
|   | 10                            | 15   | 20   | 25   | 30   | 35   | 40   |
| <b>Private pension only</b>   |                               |      |      |      |      |      |      |
| <b>All participants</b>   |                               |      |      |      |      |      |      |
| \$15,000 .....  | 12.1                          | 17.6 | 23.4 | 29.0 | 34.6 | 39.5 | 44.0 |
| \$20,000 .....  | 10.9                          | 15.9 | 21.1 | 26.2 | 31.3 | 35.7 | 39.8 |
| \$25,000 .....  | 10.4                          | 15.1 | 20.0 | 24.9 | 29.7 | 33.9 | 37.7 |
| \$35,000 .....  | 9.9                           | 14.8 | 19.8 | 24.8 | 29.4 | 33.3 | 36.7 |
| \$45,000 .....  | 9.8                           | 14.9 | 19.9 | 25.0 | 29.5 | 33.3 | 36.6 |
| \$55,000 .....  | 10.0                          | 15.1 | 20.2 | 25.3 | 29.8 | 33.4 | 36.5 |
| <b>Professional and administrative</b>  |                               |      |      |      |      |      |      |
| \$15,000 .....  | 11.4                          | 16.5 | 21.7 | 26.9 | 32.2 | 36.5 | 40.4 |
| \$20,000 .....  | 10.8                          | 15.5 | 20.6 | 25.5 | 30.4 | 34.6 | 38.3 |
| \$25,000 .....  | 10.6                          | 15.2 | 20.0 | 25.0 | 29.9 | 34.0 | 37.5 |
| \$35,000 .....  | 10.6                          | 15.7 | 21.0 | 26.3 | 31.1 | 35.1 | 38.5 |
| \$45,000 .....  | 10.9                          | 16.4 | 21.9 | 27.4 | 32.3 | 36.3 | 39.7 |
| \$55,000 .....  | 11.3                          | 17.1 | 22.8 | 28.4 | 33.3 | 37.2 | 40.4 |
| <b>Technical and clerical</b>   |                               |      |      |      |      |      |      |
| \$15,000 .....  | 11.6                          | 16.8 | 22.2 | 27.5 | 32.9 | 37.4 | 41.5 |
| \$20,000 .....  | 10.9                          | 15.7 | 20.9 | 26.1 | 31.1 | 35.5 | 39.4 |
| \$25,000 .....  | 10.6                          | 15.4 | 20.5 | 25.8 | 30.8 | 35.0 | 38.6 |
| \$35,000 .....  | 10.6                          | 15.9 | 21.4 | 27.0 | 32.0 | 36.2 | 39.6 |
| \$45,000 .....  | 10.8                          | 16.5 | 22.2 | 28.0 | 33.1 | 37.2 | 40.6 |
| \$55,000 .....  | 11.3                          | 17.1 | 22.9 | 28.9 | 34.0 | 37.9 | 41.2 |
| <b>Production and service</b>   |                               |      |      |      |      |      |      |
| \$15,000 .....  | 12.8                          | 18.8 | 25.1 | 31.0 | 36.9 | 42.4 | 47.5 |
| \$20,000 .....  | 11.0                          | 16.2 | 21.6 | 26.7 | 31.8 | 36.5 | 40.8 |
| \$25,000 .....  | 10.1                          | 14.8 | 19.7 | 24.5 | 29.1 | 33.4 | 37.3 |
| \$35,000 .....  | 9.1                           | 13.6 | 18.2 | 22.7 | 26.9 | 30.7 | 34.1 |
| \$45,000 .....  | 8.7                           | 13.1 | 17.5 | 21.9 | 26.0 | 29.5 | 32.6 |
| \$55,000 .....  | 8.6                           | 12.9 | 17.3 | 21.6 | 25.5 | 28.8 | 31.8 |
| <b>Combined private pension and primary<sup>4</sup> Social Security benefit</b> |                               |      |      |      |      |      |      |
| <b>All participants</b>   |                               |      |      |      |      |      |      |
| \$15,000 .....  | 56.9                          | 62.4 | 68.2 | 73.8 | 79.4 | 84.3 | 88.8 |
| \$20,000 .....  | 52.0                          | 56.9 | 62.2 | 67.3 | 72.3 | 76.8 | 80.8 |
| \$25,000 .....  | 48.7                          | 53.4 | 58.3 | 63.3 | 68.0 | 72.3 | 76.0 |
| \$35,000 .....  | 39.5                          | 44.4 | 49.4 | 54.4 | 59.0 | 62.9 | 66.3 |
| \$45,000 .....  | 33.8                          | 38.8 | 43.9 | 48.9 | 53.5 | 57.3 | 60.5 |
| \$55,000 .....  | 29.6                          | 34.7 | 39.8 | 44.9 | 49.4 | 53.0 | 56.1 |
| <b>Professional and administrative</b>  |                               |      |      |      |      |      |      |
| \$15,000 .....  | 56.2                          | 61.3 | 66.5 | 71.7 | 77.0 | 81.3 | 85.3 |
| \$20,000 .....  | 51.9                          | 56.6 | 61.6 | 66.5 | 71.5 | 75.7 | 79.4 |
| \$25,000 .....  | 48.9                          | 53.5 | 58.3 | 63.3 | 68.2 | 72.3 | 75.8 |
| \$35,000 .....  | 40.2                          | 45.4 | 50.6 | 55.9 | 60.7 | 64.7 | 68.1 |
| \$45,000 .....  | 34.8                          | 40.4 | 45.9 | 51.3 | 56.2 | 60.3 | 63.6 |
| \$55,000 .....  | 31.0                          | 36.7 | 42.4 | 48.0 | 52.9 | 56.8 | 60.0 |
| <b>Technical and clerical</b>   |                               |      |      |      |      |      |      |
| \$15,000 .....  | 56.4                          | 61.6 | 67.0 | 72.3 | 77.7 | 82.2 | 86.3 |
| \$20,000 .....  | 51.9                          | 56.8 | 62.0 | 67.2 | 72.2 | 76.6 | 80.4 |
| \$25,000 .....  | 48.9                          | 53.7 | 58.8 | 64.1 | 69.1 | 73.3 | 76.9 |
| \$35,000 .....  | 40.2                          | 45.5 | 51.0 | 56.7 | 61.7 | 65.8 | 69.3 |
| \$45,000 .....  | 34.8                          | 40.4 | 46.2 | 52.0 | 57.1 | 61.2 | 64.6 |
| \$55,000 .....  | 30.9                          | 36.7 | 42.6 | 48.5 | 53.6 | 57.5 | 60.8 |

See footnotes at end of table.

**Table 85. Defined benefit pension plans:<sup>1</sup> Average replacement rates for specified final earnings and years of service,<sup>2</sup> medium and large firms, 1989—Continued**

| Final annual earnings         | Years of service <sup>3</sup>   |      |      |      |      |      |      |
|-------------------------------|---|------|------|------|------|------|------|
|                               | 10  | 15   | 20   | 25   | 30   | 35   | 40   |
|                               | Combined private pension and primary <sup>4</sup> Social Security benefit |      |      |      |      |      |      |
| <b>Production and service</b> |   |      |      |      |      |      |      |
| \$15,000 .....                | 57.6  | 63.6 | 69.9 | 75.8 | 81.7 | 87.2 | 92.3 |
| \$20,000 .....                | 52.1  | 57.2 | 62.6 | 67.8 | 72.9 | 77.5 | 81.9 |
| \$25,000 .....                | 48.4  | 53.1 | 58.0 | 62.8 | 67.4 | 71.7 | 75.6 |
| \$35,000 .....                | 38.7  | 43.2 | 47.9 | 52.3 | 56.6 | 60.3 | 63.7 |
| \$45,000 .....                | 32.6  | 37.1 | 41.5 | 45.9 | 49.9 | 53.4 | 56.6 |
| \$55,000 .....                | 28.2  | 32.5 | 36.9 | 41.2 | 45.1 | 48.4 | 51.4 |

<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 private 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, 1989, and final earnings are for 1988. 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 private pension formulas that are integrated with Social Security (see table 83) and for computation of Social Security benefits, the worker is assumed to have retired at age 65 and paid into Social Security for 40 years. Computations exclude 3 percent of participants in cash account pension plans or plans with benefits based on career contributions.

<sup>3</sup> The years of service intervals represent total service with the employer. 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 86. 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> medium and large firms, 1989**

| Age and service requirement <sup>3</sup> | All participants | Professional and administrative participants | Technical and clerical participants | Production and service participants | Age and service requirement <sup>3</sup>   | All participants | Professional and administrative participants | Technical and clerical participants | Production and service participants |
|--|------------------|--|-------------------------------------|-------------------------------------|--|------------------|--|-------------------------------------|-------------------------------------|
| Total .....                              | 100              | 100  | 100                                 | 100                                 | Age 62 .....                               | 22               | 20   | 24                                  | 23                                  |
| No age requirement .....                 | 8                | 4  | 6                                   | 11                                  | No service requirement .....               | 6                | 7  | 8                                   | 5                                   |
| Fewer than 30 years' service ..          | ( <sup>4</sup> ) | ( <sup>4</sup> )                             | ( <sup>4</sup> )                    | ( <sup>4</sup> )                    | 1-4 years' service .....                   | 1                | ( <sup>4</sup> )                             | ( <sup>4</sup> )                    | 1                                   |
| 30 years' service .....                  | 7                | 3  | 5                                   | 11                                  | 5 years' service .....                     | 1                | 1  | 1                                   | 1                                   |
| More than 30 years' service ...          | ( <sup>4</sup> ) | ( <sup>4</sup> )                             | ( <sup>4</sup> )                    | ( <sup>4</sup> )                    | 6-9 years' service .....                   | ( <sup>4</sup> ) | ( <sup>4</sup> )                             | ( <sup>4</sup> )                    | ( <sup>4</sup> )                    |
| Less than age 50 .....                   | ( <sup>4</sup> ) | ( <sup>4</sup> )                             | ( <sup>4</sup> )                    | -                                   | 10 years' service .....                    | 10               | 6  | 6                                   | 14                                  |
| 15 years' service .....                  | ( <sup>4</sup> ) | ( <sup>4</sup> )                             | ( <sup>4</sup> )                    | -                                   | 11-14 years' service .....                 | ( <sup>4</sup> ) | ( <sup>4</sup> )                             | ( <sup>4</sup> )                    | ( <sup>4</sup> )                    |
| Age 55 .....                             | 3                | 4  | 2                                   | 3                                   | 15 or 20 years' service .....              | 2                | 2  | 2                                   | 1                                   |
| 10 years' service .....                  | ( <sup>4</sup> ) | ( <sup>4</sup> )                             | ( <sup>4</sup> )                    | ( <sup>4</sup> )                    | 25 years' service .....                    | 1                | 1  | 1                                   | ( <sup>4</sup> )                    |
| 20 years' service .....                  | 1                | 3  | 1                                   | 1                                   | 30 years' service .....                    | 2                | 1  | 5                                   | 1                                   |
| 25 years' service .....                  | ( <sup>4</sup> ) | ( <sup>4</sup> )                             | ( <sup>4</sup> )                    | ( <sup>4</sup> )                    | More than 30 years' service ...            | 1                | 1  | 1                                   | ( <sup>4</sup> )                    |
| 30 years' service .....                  | 1                | 1  | 1                                   | 2                                   | Age 63-64 .....                            | 2                | 1  | 3                                   | 3                                   |
| More than 30 years' service ...          | ( <sup>4</sup> ) | ( <sup>4</sup> )                             | -                                   | ( <sup>4</sup> )                    | No service requirement .....               | ( <sup>4</sup> ) | ( <sup>4</sup> )                             | ( <sup>4</sup> )                    | ( <sup>4</sup> )                    |
| Age 56-59 .....                          | ( <sup>4</sup> ) | ( <sup>4</sup> )                             | ( <sup>4</sup> )                    | ( <sup>4</sup> )                    | 10 years' service .....                    | 2                | 1  | 3                                   | 2                                   |
| 15 or 20 years' service .....            | ( <sup>4</sup> ) | -  | -                                   | ( <sup>4</sup> )                    | 20 years' service .....                    | ( <sup>4</sup> ) | -  | -                                   | ( <sup>4</sup> )                    |
| 30 years' service .....                  | ( <sup>4</sup> ) | ( <sup>4</sup> )                             | ( <sup>4</sup> )                    | ( <sup>4</sup> )                    | 30 years' service .....                    | ( <sup>4</sup> ) | ( <sup>4</sup> )                             | ( <sup>4</sup> )                    | ( <sup>4</sup> )                    |
| Age 60 .....                             | 13               | 15   | 12                                  | 12                                  | Age 65 .....                               | 38               | 41   | 40                                  | 35                                  |
| No service requirement .....             | 4                | 5  | 4                                   | 4                                   | No service requirement .....               | 33               | 36   | 35                                  | 31                                  |
| 1-5 years' service .....                 | 2                | 3  | 2                                   | 1                                   | 1-4 years' service .....                   | ( <sup>4</sup> ) | ( <sup>4</sup> )                             | 1                                   | ( <sup>4</sup> )                    |
| 10 years' service .....                  | 2                | 2  | 2                                   | 1                                   | 5 years' service .....                     | 2                | 2  | 2                                   | 1                                   |
| 15 or 20 years' service .....            | 1                | 1  | 1                                   | 1                                   | 10 years' service .....                    | 2                | 2  | 1                                   | 3                                   |
| 25 years' service .....                  | ( <sup>4</sup> ) | ( <sup>4</sup> )                             | ( <sup>4</sup> )                    | ( <sup>4</sup> )                    | 15 or more years' service .....            | 1                | 1  | 2                                   | ( <sup>4</sup> )                    |
| 30 years' service .....                  | 3                | 2  | 3                                   | 4                                   | Sum of age plus service <sup>5</sup> ..... | 12               | 15   | 11                                  | 11                                  |
| More than 30 years' service ...          | ( <sup>4</sup> ) | ( <sup>4</sup> )                             | ( <sup>4</sup> )                    | ( <sup>4</sup> )                    | Equals fewer than 80 .....                 | 1                | 2  | 2                                   | 1                                   |
| Age 61 .....                             | 1                | 1  | 1                                   | 1                                   | Equals 80 .....                            | 1                | ( <sup>4</sup> )                             | ( <sup>4</sup> )                    | 1                                   |
| 20 or fewer years' service .....         | 1                | 1  | 1                                   | 1                                   | Equals 85 .....                            | 6                | 8  | 4                                   | 6                                   |
| 26-29 years' service .....               | ( <sup>4</sup> ) | ( <sup>4</sup> )                             | ( <sup>4</sup> )                    | ( <sup>4</sup> )                    | Equals 86-89 .....                         | ( <sup>4</sup> ) | ( <sup>4</sup> )                             | ( <sup>4</sup> )                    | ( <sup>4</sup> )                    |
|  |                  |  |                                     |                                     | Equals 90 .....                            | 4                | 4  | 4                                   | 4                                   |
|  |                  |  |                                     |                                     | Equals 91-94 .....                         | ( <sup>4</sup> ) | ( <sup>4</sup> )                             | ( <sup>4</sup> )                    | ( <sup>4</sup> )                    |
|  |                  |  |                                     |                                     | Equals 95 .....                            | ( <sup>4</sup> ) | ( <sup>4</sup> )                             | ( <sup>4</sup> )                    | -                                   |
|  |                  |  |                                     |                                     | Equals more than 95 .....                  | ( <sup>4</sup> ) | ( <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 87. 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> medium and large firms, 1989**

| Age and service requirement <sup>3</sup>                | All participants | Professional and administrative participants | Technical and clerical participants | Production and service participants | Age and service requirement <sup>3</sup>             | All participants | Professional and administrative participants | Technical and clerical participants | Production and service participants |
|---|------------------|--|-------------------------------------|-------------------------------------|--|------------------|--|-------------------------------------|-------------------------------------|
| Total .....   | 100              | 100  | 100                                 | 100                                 | Age 56-59 .....                                      | 1                | 1  | 1                                   | ( <sup>4</sup> )                    |
| Participants in plans permitting early retirement ..... | 97               | 97   | 98                                  | 96                                  | 5 years' service .....                               | ( <sup>4</sup> ) | ( <sup>4</sup> )                             | ( <sup>4</sup> )                    | -                                   |
| No age requirement .....                                | 6                | 7  | 3                                   | 7                                   | 10 years' service .....                              | ( <sup>4</sup> ) | ( <sup>4</sup> )                             | ( <sup>4</sup> )                    | ( <sup>4</sup> )                    |
| Fewer than 30 years' service .....                      | ( <sup>4</sup> ) | ( <sup>4</sup> )                             | ( <sup>4</sup> )                    | 1                                   | 15 years' service .....                              | ( <sup>4</sup> ) | 1  | ( <sup>4</sup> )                    | -                                   |
| 30 years' service .....                                 | 5                | 6  | 3                                   | 6                                   | 20 years' service .....                              | ( <sup>4</sup> ) | ( <sup>4</sup> )                             | ( <sup>4</sup> )                    | ( <sup>4</sup> )                    |
| More than 30 years' service .....                       | ( <sup>4</sup> ) | ( <sup>4</sup> )                             | ( <sup>4</sup> )                    | ( <sup>4</sup> )                    | 30 years' service .....                              | ( <sup>4</sup> ) | 1  | 1                                   | ( <sup>4</sup> )                    |
| Less than age 55 .....                                  | 10               | 8  | 13                                  | 10                                  | Age 60 .....   | 6                | 3  | 3                                   | 9                                   |
| No service requirement .....                            | ( <sup>4</sup> ) | ( <sup>4</sup> )                             | ( <sup>4</sup> )                    | ( <sup>4</sup> )                    | No service requirement .....                         | ( <sup>4</sup> ) | ( <sup>4</sup> )                             | ( <sup>4</sup> )                    | ( <sup>4</sup> )                    |
| Less than 20 years' service .....                       | 6                | 6  | 8                                   | 6                                   | 10 years' service .....                              | 4                | 1  | 1                                   | 7                                   |
| 20 or more years' service .....                         | 3                | 1  | 4                                   | 4                                   | 11-14 years' service .....                           | ( <sup>4</sup> ) | -  | ( <sup>4</sup> )                    | ( <sup>4</sup> )                    |
| Age 55 .....  | 68               | 72   | 74                                  | 62                                  | 15 years' service .....                              | 1                | 1  | 1                                   | 1                                   |
| No service requirement .....                            | 6                | 8  | 5                                   | 6                                   | 20 years' service .....                              | ( <sup>4</sup> ) | ( <sup>4</sup> )                             | ( <sup>4</sup> )                    | ( <sup>4</sup> )                    |
| 1-4 years' service .....                                | ( <sup>4</sup> ) | ( <sup>4</sup> )                             | ( <sup>4</sup> )                    | ( <sup>4</sup> )                    | 30 years' service .....                              | ( <sup>4</sup> ) | ( <sup>4</sup> )                             | ( <sup>4</sup> )                    | -                                   |
| 5 years' service .....                                  | 9                | 12   | 11                                  | 6                                   | Age 62 .....   | 2                | ( <sup>4</sup> )                             | 1                                   | 4                                   |
| 6-9 years' service .....                                | ( <sup>4</sup> ) | ( <sup>4</sup> )                             | ( <sup>4</sup> )                    | -                                   | No service requirement .....                         | ( <sup>4</sup> ) | ( <sup>4</sup> )                             | 1                                   | ( <sup>4</sup> )                    |
| 10 years' service .....                                 | 43               | 42   | 46                                  | 42                                  | 10 years' service .....                              | 2                | ( <sup>4</sup> )                             | 1                                   | 4                                   |
| 11-14 years' service .....                              | ( <sup>4</sup> ) | ( <sup>4</sup> )                             | ( <sup>4</sup> )                    | ( <sup>4</sup> )                    | Sum of age plus service <sup>5</sup> .....           | 4                | 5  | 4                                   | 4                                   |
| 15 years' service .....                                 | 8                | 8  | 9                                   | 7                                   | Equals 70 or fewer .....                             | 1                | 2  | 2                                   | 1                                   |
| 20 years' service .....                                 | 1                | 1  | 1                                   | 1                                   | Equals 75 .....                                      | 1                | 1  | 1                                   | 1                                   |
| 25 years' service .....                                 | ( <sup>4</sup> ) | 1  | 1                                   | -                                   | Equals 76-79 .....                                   | ( <sup>4</sup> ) | ( <sup>4</sup> )                             | ( <sup>4</sup> )                    | ( <sup>4</sup> )                    |
|   |                  |  |                                     |                                     | Equals 80 .....                                      | 1                | 1  | 1                                   | 2                                   |
|   |                  |  |                                     |                                     | Equals 85 .....                                      | ( <sup>4</sup> ) | 1  | ( <sup>4</sup> )                    | ( <sup>4</sup> )                    |
|   |                  |  |                                     |                                     | Equals 90 or more .....                              | ( <sup>4</sup> ) | ( <sup>4</sup> )                             | ( <sup>4</sup> )                    | ( <sup>4</sup> )                    |
|   |                  |  |                                     |                                     | Participants in plans without early retirement ..... | 3                | 3  | 2                                   | 4                                   |

<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 most 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 88. 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, medium and large firms, 1989**

| Reduction for each year prior to normal retirement age                 | All participants | Professional and administrative participants | Technical and clerical participants | Production and service participants |
|--|------------------|--|-------------------------------------|-------------------------------------|
| Total .....  | 100              | 100  | 100                                 | 100                                 |
| Uniform percentage <sup>2</sup> .....                                  | 49               | 43   | 46                                  | 54                                  |
| Less than 3.0 .....  | 3                | 4  | 1                                   | 3                                   |
| 3.0 .....  | 8                | 9  | 8                                   | 8                                   |
| 3.1-3.9 .....  | 1                | 2  | 1                                   | 1                                   |
| 4.0 .....  | 8                | 9  | 12                                  | 6                                   |
| 4.1-4.9 .....  | 1                | 1  | 1                                   | 2                                   |
| 5.0 .....  | 12               | 11   | 11                                  | 14                                  |
| 5.1-5.9 .....  | ( <sup>3</sup> ) | -  | -                                   | ( <sup>3</sup> )                    |
| 6.0 .....  | 11               | 7  | 10                                  | 14                                  |
| 6.1-6.6 .....  | ( <sup>3</sup> ) | ( <sup>3</sup> )                             | ( <sup>3</sup> )                    | ( <sup>3</sup> )                    |
| 6.7 .....  | 3                | 1  | 1                                   | 5                                   |
| More than 6.7 .....  | 1                | 1  | ( <sup>3</sup> )                    | 2                                   |
| Percentage varies by age .....   | 49               | 53   | 53                                  | 45                                  |
| Reduction differs for each year of early retirement <sup>4</sup> ..... | 17               | 19   | 20                                  | 15                                  |
| Reduction differs by age bracket <sup>5</sup> .....                    | 32               | 34   | 33                                  | 30                                  |
| Percentage varies by service .....                                     | 1                | 4  | ( <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.

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:<sup>1</sup> Percent of full-time participants by provisions for disability retirement, medium and large firms, 1989**

| Characteristic  | All participants | Professional and administrative participants | Technical and clerical participants | Production and service participants |
|---|------------------|--|-------------------------------------|-------------------------------------|
| Total with disability retirement benefits .....                   | 81               | 79   | 79                                  | 83                                  |
| <b>Minimum requirements for disability retirement<sup>2</sup></b> |                  |  |                                     |                                     |
| Total .....   | 100              | 100  | 100                                 | 100                                 |
| No minimum requirement .....                                      | 12               | 15   | 16                                  | 9                                   |
| No age requirement .....  | 48               | 40   | 36                                  | 60                                  |
| 1 year's service .....  | ( <sup>3</sup> ) | ( <sup>3</sup> )                             | ( <sup>3</sup> )                    | ( <sup>3</sup> )                    |
| 2-4 years' service .....  | 1                | 1  | ( <sup>3</sup> )                    | 1                                   |
| 5 years' service .....  | 3                | 3  | 3                                   | 3                                   |
| 6-9 years' service .....  | 1                | 1  | 1                                   | ( <sup>3</sup> )                    |
| 10 years' service .....   | 30               | 22   | 23                                  | 39                                  |
| 15 years' service .....   | 13               | 12   | 9                                   | 15                                  |
| More than 15 years' service .....                                 | 1                | 1  | ( <sup>3</sup> )                    | 1                                   |
| Less than age 40 .....  | ( <sup>3</sup> ) | ( <sup>3</sup> )                             | ( <sup>3</sup> )                    | ( <sup>3</sup> )                    |
| Less than 10 years' service .....                                 | ( <sup>3</sup> ) | -  | ( <sup>3</sup> )                    | ( <sup>3</sup> )                    |
| 10 years' service .....   | ( <sup>3</sup> ) | ( <sup>3</sup> )                             | ( <sup>3</sup> )                    | ( <sup>3</sup> )                    |
| Age 40-49 .....   | 2                | 2  | 2                                   | 1                                   |
| No service requirement .....                                      | ( <sup>3</sup> ) | ( <sup>3</sup> )                             | 1                                   | ( <sup>3</sup> )                    |
| 10 years' service .....   | ( <sup>3</sup> ) | ( <sup>3</sup> )                             | 1                                   | ( <sup>3</sup> )                    |
| More than 10 years' service .....                                 | 1                | 1  | 1                                   | 1                                   |
| Age 50 or more .....  | 6                | 4  | 5                                   | 8                                   |
| No service requirement .....                                      | ( <sup>3</sup> ) | ( <sup>3</sup> )                             | ( <sup>3</sup> )                    | ( <sup>3</sup> )                    |
| 10 years' service .....   | 5                | 3  | 4                                   | 7                                   |
| More than 10 years' service .....                                 | 1                | 1  | 1                                   | 2                                   |
| Sum of age plus service .....                                     | ( <sup>3</sup> ) | ( <sup>3</sup> )                             | 1                                   | -                                   |
| Receipt of long-term disability benefits .....                    | 31               | 39   | 40                                  | 21                                  |
| <b>Benefit provisions</b>   |                  |  |                                     |                                     |
| Total .....   | 100              | 100  | 100                                 | 100                                 |
| Immediate disability retirement <sup>4</sup> .....                | 57               | 47   | 47                                  | 67                                  |
| Unreduced normal formula <sup>5</sup> .....                       | 42               | 32   | 34                                  | 51                                  |
| Reduced normal formula <sup>6</sup> .....                         | 7                | 8  | 7                                   | 6                                   |
| Other than normal formula <sup>7</sup> .....                      | 8                | 8  | 5                                   | 10                                  |
| Deferred disability retirement .....                              | 43               | 53   | 53                                  | 33                                  |
| With benefits based on:   |                  |  |                                     |                                     |
| Service when disabled .....                                       | 6                | 7  | 6                                   | 6                                   |
| Service plus credit to retirement date .....                      | 37               | 46   | 47                                  | 27                                  |
| Not based on service .....  | ( <sup>3</sup> ) | ( <sup>3</sup> )                             | ( <sup>3</sup> )                    | ( <sup>3</sup> )                    |

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

<sup>2</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>3</sup> Less than 0.5 percent.

<sup>4</sup> Immediate disability pensions may be supplemented by additional allowances until an employee reaches a specified age or becomes eligible for Social Security.

<sup>5</sup> The disabled worker's pension is computed under the plan's normal benefit formula and is paid as if retirement had occurred on the plan's normal retirement date, either based on years of service actually completed or projected to a later date.

<sup>6</sup> The disabled worker's pension is computed under the plan's normal benefit formula, based on years of service actually completed, and then reduced for early receipt.

<sup>7</sup> The disabled worker's benefit is not computed by the plan's normal benefit formula. The methods used include flat amount benefits, dollar amount formulas, percent of unreduced normal benefits less Social Security, and percent of earnings formulas both with and without Social Security offsets.

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 by provision for adjusting accrued benefits for service beyond age 65<sup>2</sup>, medium and large firms, 1989**

| Type of adjustment   | All participants | Professional and administrative participants | Technical and clerical participants | Production and service participants |
|--|------------------|--|-------------------------------------|-------------------------------------|
| Total .....  | 100              | 100  | 100                                 | 100                                 |
| Without benefit increase .....   | 91               | 90   | 88                                  | 93                                  |
| No actuarial adjustment to benefits for service past age 65 .....      | 91               | 90   | 88                                  | 93                                  |
| Pension begins at age 65 even if active .....                          | ( <sup>3</sup> ) | ( <sup>3</sup> )                             | ( <sup>3</sup> )                    | ( <sup>3</sup> )                    |
| With benefit increase .....  | 9                | 10   | 12                                  | 7                                   |
| Increased actuarially .....  | 5                | 6  | 7                                   | 4                                   |
| Increased by percent per additional year of service <sup>4</sup> ..... | 2                | 1  | 2                                   | 1                                   |
| Actuarial increase offset by benefit accruals <sup>5</sup> .....       | 2                | 3  | 3                                   | 2                                   |

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

<sup>2</sup> The Omnibus Budget Reconciliation Act of 1986 requires plan sponsors to continue benefit accruals for service beyond the plan's normal retirement age. For noncollectively bargained plans, this requirement takes effect for plan years beginning on or after January 1, 1988. However, collectively bargained plans need not comply until the earlier of (1) the expiration date of the collective bargaining agreement, or (2) the first plan year beginning on or after January 1, 1990.

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

<sup>4</sup> Additional service is included in the benefit formula, and the pension is increased by a specified percent (not part of the benefit formula) for each year the employee remains active.

<sup>5</sup> The pension is increased actuarially for later retirement date or is increased for additional service, whichever is greater.

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 in plans granting ad hoc postretirement lump sum payments and annuity increases,<sup>2</sup> medium and large firms, 1989**

| Characteristics  | All participants | Professional and administrative participants | Technical and clerical participants | Production and service participants |
|--|------------------|--|-------------------------------------|-------------------------------------|
| Total .....  | 100              | 100  | 100                                 | 100                                 |
| With lump sum payment or ad hoc pension increases in the 1984-88 period .....    | 24               | 23   | 17                                  | 28                                  |
| Ad hoc increases only .....  | 18               | 19   | 16                                  | 18                                  |
| Lump sum payments only .....   | 2                | 2  | ( <sup>3</sup> )                    | 2                                   |
| Ad hoc increases and lump sum payment .....                                      | 4                | 2  | 1                                   | 7                                   |
| Without lump sum payment or ad hoc pension increases in the 1984-88 period ..... | 74               | 75   | 81                                  | 71                                  |
| Not determinable .....   | 2                | 2  | 1                                   | 1                                   |

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

<sup>2</sup> Unscheduled increases in pension payments for employees retiring prior to 1989.

<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 92. Defined benefit pension plans:<sup>1</sup> Percent of full-time participants in plans granting ad hoc postretirement annuity increases,<sup>2</sup> medium and large firms, 1989**

| Characteristic  | All participants | Professional and administrative participants | Technical and clerical participants | Production and service participants | Characteristic   | All participants | Professional and administrative participants | Technical and clerical participants | Production and service participants |
|---|------------------|--|-------------------------------------|-------------------------------------|--|------------------|--|-------------------------------------|-------------------------------------|
| Percent of participants in plans with at least one postretirement increase in the 1984-88 period .. | 22               | 21   | 17                                  | 26                                  | <b>Benefit formula for most recent increase</b>                |                  |  |                                     |                                     |
| <b>Number of increases granted in past 5 years</b>  |                  |  |                                     |                                     | Total .....  | 100              | 100  | 100                                 | 100                                 |
| Total .....   | 100              | 100  | 100                                 | 100                                 | Flat increase .....  | 56               | 61   | 67                                  | 50                                  |
| One .....   | 54               | 54   | 64                                  | 51                                  | Monthly dollar amount .....                                    | 8                | 7  | 7                                   | 10                                  |
| Two .....   | 29               | 33   | 27                                  | 28                                  | \$10.00 .....  | 1                | -  | -                                   | 1                                   |
| Three .....   | 13               | 5  | 4                                   | 20                                  | \$100.00 .....   | 2                | 3  | 2                                   | 1                                   |
| Four .....  | ( <sup>3</sup> ) | ( <sup>3</sup> )                             | ( <sup>3</sup> )                    | 1                                   | \$110.00 .....   | 1                | 2  | 2                                   | ( <sup>3</sup> )                    |
| Five or more .....  | 3                | 7  | 5                                   | -                                   | More than \$110.00 .....                                       | ( <sup>3</sup> ) | -  | -                                   | ( <sup>3</sup> )                    |
| <b>Provision for minimum increase in most recent adjustment</b>                                     |                  |  |                                     |                                     | Varies by date of retirement .....                             | 5                | 2  | 2                                   | 8                                   |
| Total .....   | 100              | 100  | 100                                 | 100                                 | Percent of present benefit .....                               | 48               | 54   | 61                                  | 40                                  |
| No minimum .....  | 92               | 90   | 90                                  | 93                                  | Less than 5.0 .....  | 23               | 26   | 28                                  | 20                                  |
| With minimum .....  | 6                | 8  | 9                                   | 3                                   | 5.0 .....  | 3                | 2  | 4                                   | 3                                   |
| Monthly dollar amount .....   | 4                | 6  | 6                                   | 2                                   | 5.1-5.9 .....  | 1                | 3  | ( <sup>3</sup> )                    | -                                   |
| \$10 .....  | 2                | 2  | 4                                   | 2                                   | 6.1-7.9 .....  | 1                | 1  | 1                                   | 1                                   |
| \$15 .....  | ( <sup>3</sup> ) | ( <sup>3</sup> )                             | 1                                   | ( <sup>3</sup> )                    | 8.1-9.9 .....  | ( <sup>3</sup> ) | -  | -                                   | ( <sup>3</sup> )                    |
| \$25 .....  | 1                | 2  | 2                                   | ( <sup>3</sup> )                    | 10.0 .....   | 1                | 1  | 1                                   | 1                                   |
| More than \$25 .....  | ( <sup>3</sup> ) | ( <sup>3</sup> )                             | ( <sup>3</sup> )                    | -                                   | 15.0 .....   | ( <sup>3</sup> ) | ( <sup>3</sup> )                             | 1                                   | ( <sup>3</sup> )                    |
| Varies by date of retirement .....  | ( <sup>3</sup> ) | 1  | -                                   | -                                   | More than 15.0 .....   | 1                | 1  | 2                                   | ( <sup>3</sup> )                    |
| Percent of present benefit .....  | 2                | 1  | 3                                   | 1                                   | Varies by date of retirement .....                             | 19               | 19   | 24                                  | 16                                  |
| Not determinable .....  | 2                | 2  | 1                                   | 3                                   | Type of flat increase not determinable .....                   | ( <sup>3</sup> ) | ( <sup>3</sup> )                             | ( <sup>3</sup> )                    | ( <sup>3</sup> )                    |
| <b>Provision for maximum increase in most recent adjustment</b>                                     |                  |  |                                     |                                     | Increase per year of retirement .....                          | 15               | 22   | 21                                  | 9                                   |
| Total .....   | 100              | 100  | 100                                 | 100                                 | Percent of present benefit .....                               | 15               | 22   | 21                                  | 9                                   |
| No maximum .....  | 93               | 90   | 92                                  | 95                                  | Less than 2.0 .....  | 7                | 8  | 10                                  | 6                                   |
| With maximum .....  | 4                | 7  | 7                                   | 2                                   | 2.0 .....  | 3                | 6  | 3                                   | 2                                   |
| Monthly dollar amount .....   | 1                | 1  | ( <sup>3</sup> )                    | ( <sup>3</sup> )                    | 2.5 .....  | 1                | 1  | 2                                   | ( <sup>3</sup> )                    |
| \$100 or less .....   | ( <sup>3</sup> ) | ( <sup>3</sup> )                             | ( <sup>3</sup> )                    | ( <sup>3</sup> )                    | 3.0 .....  | 1                | 1  | 2                                   | ( <sup>3</sup> )                    |
| \$101-\$150 .....   | ( <sup>3</sup> ) | ( <sup>3</sup> )                             | ( <sup>3</sup> )                    | -                                   | 4.0 .....  | 2                | 4  | 3                                   | ( <sup>3</sup> )                    |
| \$151-\$200 .....   | ( <sup>3</sup> ) | 1  | -                                   | -                                   | 4.1-4.9 .....  | ( <sup>3</sup> ) | 2  | -                                   | -                                   |
| Percent of present benefit .....  | 4                | 6  | 6                                   | 2                                   | Varies by date of retirement .....                             | ( <sup>3</sup> ) | ( <sup>3</sup> )                             | 1                                   | ( <sup>3</sup> )                    |
| Less than 10 .....  | -                | -  | -                                   | -                                   | Type of increase per year of retirement not determinable ..... | ( <sup>3</sup> ) | ( <sup>3</sup> )                             | ( <sup>3</sup> )                    | ( <sup>3</sup> )                    |
| 15-19 .....   | 2                | 2  | 3                                   | 1                                   | Increase per year of service .....                             | 24               | 10   | 9                                   | 36                                  |
| 20-24 .....   | ( <sup>3</sup> ) | ( <sup>3</sup> )                             | 1                                   | ( <sup>3</sup> )                    | Monthly dollar amount .....                                    | 24               | 10   | 8                                   | 35                                  |
| 30 or more .....  | 2                | 4  | 2                                   | ( <sup>3</sup> )                    | \$ .50 .....   | 4                | 1  | 1                                   | 6                                   |
| Not determinable .....  | 2                | 2  | 1                                   | 3                                   | \$ .51-\$.99 .....   | 11               | 7  | 5                                   | 14                                  |
|   |                  |  |                                     |                                     | \$1.00 .....   | 7                | 3  | 1                                   | 11                                  |
|   |                  |  |                                     |                                     | More than \$2.00 .....   | 1                | ( <sup>3</sup> )                             | ( <sup>3</sup> )                    | 1                                   |
|   |                  |  |                                     |                                     | Varies by date of retirement .....                             | 2                | -  | 1                                   | 3                                   |
|   |                  |  |                                     |                                     | Percent of present benefit .....                               | 1                | ( <sup>3</sup> )                             | ( <sup>3</sup> )                    | 1                                   |
|   |                  |  |                                     |                                     | .26-.50 .....  | ( <sup>3</sup> ) | ( <sup>3</sup> )                             | ( <sup>3</sup> )                    | ( <sup>3</sup> )                    |
|   |                  |  |                                     |                                     | More than .50 .....  | 1                | -  | -                                   | 1                                   |
|   |                  |  |                                     |                                     | Combination of two or more benefit formulas .....              | 2                | 5  | 2                                   | 1                                   |
|   |                  |  |                                     |                                     | Type of formula not determinable .....                         | 2                | 2  | 1                                   | 3                                   |

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

<sup>2</sup> Unscheduled increases in pension payments for employees retiring prior to 1989. Excludes one-time lump-sum payments.

<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 93. Defined benefit pension plans:<sup>1</sup> Percent of full-time participants by type of vesting schedule, medium and large firms, 1989**

| Type of vesting schedule               | All participants | Professional and administrative participants | Technical and clerical participants | Production and service participants |
|--|------------------|--|-------------------------------------|-------------------------------------|
| Total <sup>2</sup> .....               | 100              | 100  | 100                                 | 100                                 |
| Immediate full vesting .....           | ( <sup>3</sup> ) | ( <sup>3</sup> )                             | ( <sup>3</sup> )                    | ( <sup>3</sup> )                    |
| Cliff vesting <sup>4</sup> .....       | 89               | 88   | 88                                  | 90                                  |
| Full vesting:                          |                  |  |                                     |                                     |
| At any age .....                       | 74               | 74   | 68                                  | 77                                  |
| Less than 5 years' service .....       | ( <sup>3</sup> ) | ( <sup>3</sup> )                             | ( <sup>3</sup> )                    | -                                   |
| 5 years' service .....                 | 44               | 46   | 44                                  | 42                                  |
| 6-9 years' service .....               | ( <sup>3</sup> ) | 1  | ( <sup>3</sup> )                    | ( <sup>3</sup> )                    |
| 10 years' service .....                | 29               | 27   | 23                                  | 34                                  |
| More than 10 years' service .....      | ( <sup>3</sup> ) | ( <sup>3</sup> )                             | ( <sup>3</sup> )                    | 1                                   |
| After specified age <sup>5</sup> ..... | 15               | 14   | 20                                  | 12                                  |
| 5 years' service .....                 | 6                | 7  | 8                                   | 5                                   |
| 10 years' service .....                | 9                | 7  | 12                                  | 8                                   |
| Sum of age plus service .....          | ( <sup>3</sup> ) | ( <sup>3</sup> )                             | ( <sup>3</sup> )                    | ( <sup>3</sup> )                    |
| Graduated vesting <sup>6</sup> .....   | 11               | 12   | 12                                  | 10                                  |
| Full vesting after:                    |                  |  |                                     |                                     |
| Less than 7 years' service .....       | 1                | ( <sup>3</sup> )                             | ( <sup>3</sup> )                    | 1                                   |
| 7 years' service .....                 | 1                | 1  | ( <sup>3</sup> )                    | 1                                   |
| 10 years' service .....                | 7                | 6  | 7                                   | 7                                   |
| 11-14 years' service .....             | ( <sup>3</sup> ) | ( <sup>3</sup> )                             | 1                                   | ( <sup>3</sup> )                    |
| 15 years' service .....                | 2                | 3  | 2                                   | 1                                   |
| Other <sup>7</sup> .....               | 1                | 2  | 2                                   | 1                                   |

<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> Less than 0.5 percent.

<sup>4</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. The Employee Retirement Income Security Act (ERISA) specifies 10 years as the maximum requirement for this form of vesting. As a consequence of the Tax Reform Act of 1986, sponsors of most single-employer plans who adopt this form of vesting must convert to a 5-year schedule during 1989. Collectively bargained single-employer plans must comply by the earlier of: (1) the expiration date of the collective bargaining agreement, or (2) January 1, 1991.

<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. During 1989, as a result of the Tax Reform Act of 1986, sponsors of most single-employer plans who adopt this form of vesting must alter their schedule to provide full vesting by the end of 7 years of service.

<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 94. 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, medium and large firms, 1989**

| Reduction for each year prior to normal retirement age                 | All participants |   |                  | Professional and administrative participants |   |                  | Technical and clerical participants |   |                  | Production and service participants |   |                  |
|--|------------------|---|------------------|--|---|------------------|-------------------------------------|---|------------------|-------------------------------------|---|------------------|
|  | 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              | 57  | 43               | 100  | 56  | 44               | 100                                 | 52  | 48               | 100                                 | 60  | 40               |
| Uniform percentage <sup>3</sup> .....                                  | 34               | 25  | 9                | 31   | 21  | 10               | 32                                  | 20  | 12               | 37                                  | 29  | 7                |
| Less than 3.0 .....  | 1                | 1   | -                | 1  | 1   | -                | 1                                   | 1   | -                | ( <sup>4</sup> )                    | ( <sup>4</sup> )                          | -                |
| 3.0 .....  | 5                | 3   | 2                | 6  | 3   | 3                | 4                                   | 2   | 2                | 4                                   | 4   | ( <sup>4</sup> ) |
| 3.1-3.9 .....  | 1                | 1   | -                | 1  | 1   | -                | ( <sup>4</sup> )                    | ( <sup>4</sup> )                          | -                | ( <sup>4</sup> )                    | ( <sup>4</sup> )                          | -                |
| 4.0 .....  | 3                | 3   | ( <sup>4</sup> ) | 4  | 4   | ( <sup>4</sup> ) | 3                                   | 3   | ( <sup>4</sup> ) | 3                                   | 3   | ( <sup>4</sup> ) |
| 4.1-4.9 .....  | 3                | 1   | 2                | 2  | 1   | 2                | 6                                   | 1   | 6                | 2                                   | 2   | ( <sup>4</sup> ) |
| 5.0 .....  | 9                | 8   | 2                | 7  | 6   | 1                | 8                                   | 6   | 1                | 11                                  | 9   | 2                |
| 5.1-5.9 .....  | ( <sup>4</sup> ) | ( <sup>4</sup> )                          | -                | -  | -   | -                | -                                   | -   | -                | ( <sup>4</sup> )                    | ( <sup>4</sup> )                          | -                |
| 6.0 .....  | 8                | 5   | 3                | 8  | 5   | 3                | 8                                   | 6   | 3                | 9                                   | 5   | 3                |
| 6.1-6.6 .....  | ( <sup>4</sup> ) | ( <sup>4</sup> )                          | ( <sup>4</sup> ) | ( <sup>4</sup> )                             | ( <sup>4</sup> )                          | ( <sup>4</sup> ) | ( <sup>4</sup> )                    | ( <sup>4</sup> )                          | ( <sup>4</sup> ) | ( <sup>4</sup> )                    | ( <sup>4</sup> )                          | ( <sup>4</sup> ) |
| 6.7 .....  | 3                | 3   | ( <sup>4</sup> ) | ( <sup>4</sup> )                             | ( <sup>4</sup> )                          | ( <sup>4</sup> ) | 1                                   | 1   | ( <sup>4</sup> ) | 5                                   | 5   | 1                |
| More than 6.7 .....  | 1                | ( <sup>4</sup> )                          | 1                | 1  | ( <sup>4</sup> )                          | 1                | 1                                   | ( <sup>4</sup> )                          | 1                | 1                                   | 1   | ( <sup>4</sup> ) |
| Percentage varies by age ...   | 65               | 32  | 34               | 67   | 33  | 34               | 67                                  | 32  | 35               | 63                                  | 30  | 32               |
| Reduction differs for each year of early retirement <sup>5</sup> ..... | 37               | 10  | 27               | 37   | 11  | 27               | 38                                  | 9   | 29               | 37                                  | 10  | 26               |
| Reduction differs by age bracket <sup>6</sup> .....                    | 28               | 22  | 6                | 30   | 23  | 7                | 29                                  | 23  | 6                | 26                                  | 20  | 6                |
| Percentage varies by service .....                                     | 1                | 1   | -                | 1  | 1   | -                | ( <sup>4</sup> )                    | ( <sup>4</sup> )                          | -                | ( <sup>4</sup> )                    | ( <sup>4</sup> )                          | -                |
| Other basis <sup>7</sup> .....   | ( <sup>4</sup> ) | -   | ( <sup>4</sup> ) | ( <sup>4</sup> )                             | -   | ( <sup>4</sup> ) | ( <sup>4</sup> )                    | -   | ( <sup>4</sup> ) | ( <sup>4</sup> )                    | -   | ( <sup>4</sup> ) |

<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, usually 55.

<sup>7</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 95. Defined benefit pension plans:<sup>1</sup> Percent of full-time participants by type of postretirement survivor annuity, medium and large firms, 1989**

| Type of annuity for surviving spouse   | All participants | Professional and administrative participants | Technical and clerical participants | Production and service participants |
|--|------------------|--|-------------------------------------|-------------------------------------|
| Total .....  | 100              | 100  | 100                                 | 100                                 |
| Spouse's share of joint-and-survivor annuity <sup>2</sup> only .....                 | 90               | 93   | 93                                  | 86                                  |
| 50 percent of retiree's pension ...  | 23               | 18   | 23                                  | 26                                  |
| 51-99 percent of retiree's pension .....   | 3                | 5  | 2                                   | 3                                   |
| 100 percent of retiree's pension .....   | 2                | 2  | 3                                   | 1                                   |
| Alternative percentages at retiree's option <sup>3</sup> .....                       | 62               | 70   | 64                                  | 56                                  |
| Spouse's share of joint-and-survivor annuity plus portion of retiree's pension ..... | 1                | 1  | 1                                   | 2                                   |
| Portion of retiree's accrued pension only .....                                      | 9                | 6  | 7                                   | 11                                  |

<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> Alternate percentages were usually 50, 67, or 100 percent.

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

**Table 96. Defined benefit pension plans:<sup>1</sup> Percent of full-time participants by type of preretirement survivor annuity, medium and large firms, 1989**

| Type of annuity for surviving spouse                                       | All participants | Professional and administrative participants | Technical and clerical participants | Production and service participants |
|--|------------------|--|-------------------------------------|-------------------------------------|
| Total .....  | 100              | 100  | 100                                 | 100                                 |
| Equivalent of joint-and-survivor annuity <sup>2</sup> .....                | 73               | 78   | 74                                  | 70                                  |
| Based on early retirement <sup>3</sup> .....                               | 72               | 76   | 73                                  | 68                                  |
| 50 percent of employee pension .....                                       | 62               | 63   | 63                                  | 61                                  |
| At extra employee cost <sup>4</sup> ...                                    | 8                | 9  | 8                                   | 8                                   |
| 51-99 percent of employee pension .....                                    | 5                | 6  | 4                                   | 5                                   |
| At extra employee cost <sup>4</sup> ...                                    | ( <sup>5</sup> ) | 1  | ( <sup>5</sup> )                    | 1                                   |
| 100 percent of employee pension .....                                      | 2                | 3  | 4                                   | 1                                   |
| At extra employee cost <sup>4</sup> ...                                    | ( <sup>5</sup> ) | ( <sup>5</sup> )                             | ( <sup>5</sup> )                    | -                                   |
| Alternative percentages of pension at employee's option <sup>6</sup> ..... | 3                | 4  | 2                                   | 2                                   |
| At extra employee cost <sup>4</sup> ...                                    | ( <sup>5</sup> ) | ( <sup>5</sup> )                             | ( <sup>5</sup> )                    | ( <sup>5</sup> )                    |
| Based on normal retirement <sup>7</sup> .....                              | 1                | 2  | 1                                   | 1                                   |
| Portion of accrued employee benefit  | 25               | 20   | 25                                  | 28                                  |
| Reduced for early retirement .....   | 12               | 8  | 8                                   | 16                                  |
| Unreduced for early retirement ...   | 12               | 9  | 14                                  | 12                                  |
| Based on service projected to normal retirement date .....                 | 2                | 3  | 2                                   | 1                                   |
| Other annuity <sup>8</sup> .....   | 2                | 2  | 1                                   | 2                                   |

<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> Plan reduces the accrued employee pension benefit for each year survivor protection is in force.

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

<sup>6</sup> Alternative percentages were usually 50 or 100 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 97. Defined benefit pension plans:<sup>1</sup> Percent of full-time participants by age and length-of-service requirements for participation,<sup>2</sup> medium and large firms, 1989**

| Age and service requirement provision <sup>3</sup>   | All participants | Professional and administrative participants | Technical and clerical participants | Production and service participants |
|--|------------------|--|-------------------------------------|-------------------------------------|
| Total .....  | 100              | 100  | 100                                 | 100                                 |
| Plan participation available to new employees .....  | 100              | 100  | 100                                 | 100                                 |
| With minimum age and/or service requirement .....    | 65               | 67   | 75                                  | 58                                  |
| Service requirement only .....                       | 26               | 25   | 25                                  | 26                                  |
| 3 months or less .....                               | 1                | 1  | 1                                   | 1                                   |
| 4-5 months .....                                     | (*)              | (*)  | (*)                                 | 1                                   |
| 6 months .....                                       | 2                | 2  | 2                                   | 1                                   |
| 1 year .....   | 19               | 21   | 20                                  | 18                                  |
| 2 years .....  | (*)              | (*)  | (*)                                 | -                                   |
| 3 years .....  | (*)              | (*)  | (*)                                 | (*)                                 |
| Over 3 years .....                                   | 3                | 2  | 2                                   | 4                                   |
| Age 20 or less .....                                 | 2                | 2  | 3                                   | 1                                   |
| No service requirement .....                         | 1                | 1  | 1                                   | 1                                   |
| 1-11 months of service .....                         | (*)              | (*)  | 1                                   | (*)                                 |
| 1 year of service .....                              | (*)              | 1  | 1                                   | (*)                                 |
| Over 1 year of service .....                         | (*)              | (*)  | (*)                                 | -                                   |
| Age 21 <sup>5</sup> .....                            | 35               | 37   | 44                                  | 29                                  |
| No service requirement .....                         | 3                | 3  | 7                                   | 1                                   |
| 1-6 months of service .....                          | 1                | (*)  | (*)                                 | 1                                   |
| 7-11 months .....                                    | (*)              | (*)  | (*)                                 | (*)                                 |
| 1 year of service .....                              | 31               | 33   | 36                                  | 27                                  |
| Age 22 or older .....                                | 2                | 3  | 3                                   | 2                                   |
| 1 year of service .....                              | 2                | 3  | 3                                   | 2                                   |
| Without minimum age and/or service requirement ..... | 35               | 33   | 25                                  | 42                                  |
| Participation not available to new employees .....   | (*)              | (*)  | (*)                                 | (*)                                 |

<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.

<sup>5</sup> The Internal Revenue Code requires that nearly all plans must allow participation to full-time employees who have reached the age of 21 and who have completed one year of service. Plans that provide immediate vesting of accrued benefits may require up to three years. Church plans are exempt from the Internal Revenue Code.

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

## Chapter 7. Defined Contribution Plans

Defined contribution plans generally specify the level of employer contributions to a plan, but not the formula for determining eventual benefits as in a defined benefit pension plan. Instead, individual accounts are set up for participants, and benefits are based on amounts credited to these accounts, plus investment earnings. Thus, although there generally is a guarantee as to employer contributions, the risk of fluctuation in investment earnings is borne by the employee.

In 1989, 48 percent of the full-time employees covered by the survey participated in one defined contribution plan or more. Fifty-six percent of the white-collar workers, compared to 40 percent of the blue-collar workers, participated in these plans.

Defined contribution plans may be divided into those designed to provide retirement benefits and those intended for capital accumulation purposes. Retirement plans, as defined in this study, do not allow withdrawal of employer contributions until retirement age, death, disability, separation from service, age 59 1/2, or hardship. Capital accumulation plans, on the other hand, impose less stringent restrictions for withdrawal of employer contributions, for example, permitting one or two withdrawals per year, or withdrawal after 2 or 5 years of service.<sup>39</sup>

Defined contribution retirement plans enrolled 36 percent of the employees covered by the survey. Taken together with participants in defined benefit pension plans (which, as described in chapter 6, are always for retirement purposes), 81 percent of employees covered by the survey participated in at least one retirement plan.

Participation in capital accumulation plans was not widespread. Fourteen percent of employees were in such plans, and for all but 1 percent, this was in addition to a defined benefit or defined contribution retirement plan (table 98). The combined incidence of retirement and capital accumulation plans was virtually the same as that recorded in the 1988 survey.

Defined contribution plans may also be classified by

<sup>39</sup> It should be noted that most defined contribution plans can be used to provide retirement income or to accumulate financial assets. Capital accumulation plans may provide retirement income because withdrawals of the employer's contributions are voluntary, not mandatory. Similarly, defined contribution retirement plans can be used to accumulate assets, because these plans nearly always permit preretirement withdrawals of the employer's contributions (for example, at age 59 1/2, upon termination of employment prior to retirement, or upon disability). Many of these plans also permit employees to receive a lump sum, rather than an annuity, upon retirement.

type of plan (table 99). The survey provided data on the following types: Savings and thrift plans (with 30 percent of employees participating); profit-sharing plans (16 percent); money purchase pension plans (5 percent); employee stock ownership plans (3 percent); and stock bonus plans (less than one-half of 1 percent).<sup>40</sup> Plans that allowed the purchase of company stock at below market price (stock purchase plans), or that allowed the purchase of stock in the future at a designated price (stock option plans) were rare. Savings and thrift and money purchase pension plans were more common among white-collar workers, while profit-sharing plans were more common among blue-collar workers.

Thirty-eight percent of participants in defined contribution retirement plans had all contributions to these plans made by the employer. In contrast, only 15 percent of the participants in capital accumulation plans had all contributions made by the employer. A large majority of capital accumulation plans were savings and thrift plans, which involve employer matching of employee contributions.

Thirty-seven percent of participants in all retirement and capital accumulation plans were enrolled in more than one plan. Where more than one plan was available, the combination was most often a defined benefit pension plan and a savings and thrift plan. In fact, the majority of participants in savings and thrift plans also participated in other plans. This was less likely to be true of participants in profit-sharing and money purchase pension plans (table 100).

### Cash or deferred arrangements

Plans with a cash or deferred arrangement enrolled 41 percent of the employees within the scope of the survey, up from 36 percent in 1988 (table 101).<sup>41</sup> These arrangements, also known as 401(k) plans, allow participants to

<sup>40</sup> A money purchase pension plan provides for a pension annuity or other form of retirement income that is determined by fixed contribution rates plus earnings credited to the employee's account. A stock bonus plan is a plan whereby the employer or the employee and the employer jointly contribute to a trust fund that invests in various securities. Employee stock ownership plans are generally wholly employer financed, and are designed to distribute company stock periodically to employees. Savings and thrift and profit sharing plans are described later in this chapter.

<sup>41</sup> For freestanding 401(k) plans, participants were those workers actually making pretax contributions. For other plans, participants were those workers in plans offering cash or deferred arrangements, whether or not workers actually made pretax contributions.

choose between receiving currently taxable income, or deferring taxation by placing the money in a retirement account. Cash or deferred arrangements took the form of either salary reduction plans, deferrals of profit-sharing allocations, or mandatory regular contributions to a pension plan on a pre-tax basis.

Salary reduction plans (available to 38 percent of employees) allow employees to contribute a part of their earnings to a retirement plan, and defer income taxes on those contributions and their earnings until distribution. Such contributions are referred to as "employee elective deferrals" or "pretax contributions."

Deferrals of profit-sharing allocations provide employees with the choice of receiving an employer's profit-sharing contribution immediately in cash, or deferring the contribution and postponing taxation until distribution. Such arrangements were rare, as were pension plans that allowed employees to make required contributions on a pretax basis.

Salary reduction features, more common among white-collar employees than among blue-collar employees, were available through several types of defined contribution plans. The most common vehicle for pretax savings was a savings and thrift plan, accounting for nearly three-fourths of participants. The remainder generally could make salary reduction contributions through a profit-sharing plan or a freestanding plan, that is, a plan set up for employee salary reduction with no employer contribution.

From a different perspective, 68 percent of all participants in defined contribution plans could make voluntary salary reduction contributions to their plan. The incidence was higher for white-collar (74 percent) than for blue-collar (60 percent) employees. The following tabulation shows the percent of defined contribution plan participants in plans with salary reduction features:

| Plan type                     | Percent of participants |
|-------------------------------|-------------------------|
| Savings and thrift .....      | 92                      |
| Deferred profit sharing ..... | 29                      |
| Money purchase pension .....  | 24                      |

### Savings and thrift plans

Savings and thrift plans enrolled 30 percent of employees covered by the survey—38 percent of white-collar and 21 percent of blue-collar workers. Under these plans, employees contribute a predetermined portion of earnings to an account, all or part of which is matched by the employer. Contributions are invested in various vehicles, such as stocks, bonds, and money market funds, as directed by the employee or employer, depending upon the provisions of the plan. Although usually designed as a long-term savings vehicle, savings and thrift plans allow withdrawals for specified conditions (such as medical and educational expenses). Withdrawals are taxable as current

income to the recipient, and may be subject to a penalty imposed by the plan.

*Employee contributions (tables 102 to 104).* Savings and thrift plans allow employees to choose from a range of possible contribution rates. A plan, for example, might allow maximum employee contributions anywhere from 6 to 16 percent of pay. One-fifth of participants could contribute up to 16 percent of their earnings; 10, 12, and 15 percent were other common maximums.

Salary reduction, after only a few years, has become a dominant feature of savings and thrift plans. Ninety-two percent of participants in savings and thrift plans were allowed to make pretax contributions, up from 85 percent in 1988, 75 percent in 1986, and 65 percent in 1985.

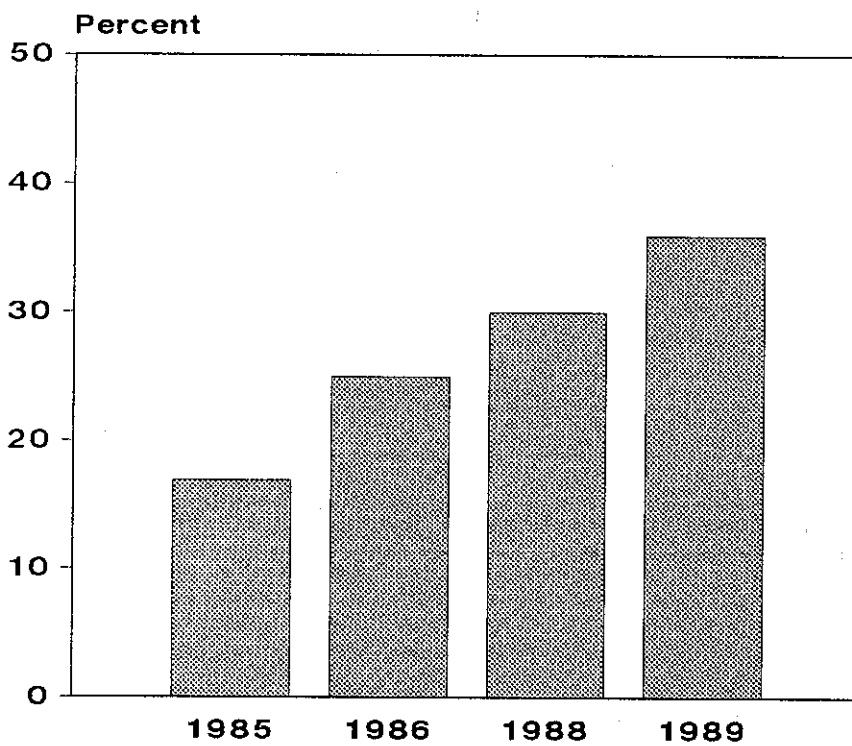
The provisions governing pretax contributions vary widely. For example, just over one-half of the participants in plans allowing pretax contributions had an option to make either pretax or posttax contributions, one-third could make only pretax contributions, and the remainder had to make at least some of their contributions on a pretax basis. In 1989, 53 percent of participants had an initial option to choose between pretax and posttax contributions, up by 50 percent over 1988. This reflects a greater flexibility among savings programs, allowing employees to adapt the plan to their needs.

The tax status of employee contributions is important not only because of the current deferral of income taxes, but because pretax contributions may not be withdrawn from an employee's account, except in limited circumstances, without severe tax penalties. Employees electing to make posttax rather than pretax contributions, however, would avoid these tax penalties on withdrawals of their contributions.

*Employer matching contributions (table 105).* Employers provide an incentive for participation in a savings and thrift plan by matching all or a portion of the employee's contribution and adding this amount to the employee's account. Usually the employer matches a portion of the employee's contribution up to a specified percent of the employee's earnings. For example, the most common provision found in 1989 was for an employer to match half of the employee's contribution up to the first 6 percent of earnings. Assuming the employee contributed 8 percent of earnings, the employer would add 3 percent (half of the first 6 percent of the employee's earnings) for a total contribution of 11 percent to the employee's account. In contrast with these straight percentage matches, nearly one-fourth of the participants received matching contribution rates varying by length of service, level of employee contribution, or company profits.

*Investment decisions (table 106).* Nine out of ten participants in savings and thrift plans were allowed to choose how they wanted their own contributions invested. Com-

**Chart 6. Savings and thrift plans: Percent of full-time participants by availability of loan provisions, medium and large firms, 1985-89**



mon investment vehicles offered by these plans included company stock, common stock funds, guaranteed investment contracts, government securities, money market funds, and long-term interest bearing securities such as corporate bonds and Treasury notes. The number of choices in these plans varied from two to five or more, with three choices being the most common. Employees were nearly always allowed to split their contributions among the various options and were allowed to change their investment choices periodically.

Employees generally had less flexibility when it came to employer contributions. Just over half of the participants were permitted to choose how the matching contribution was to be invested. Where no choice was permitted, the plan typically specified that the matching contribution was invested in company stock.

*Withdrawals and loans (table 107).* Prior to normal payout at retirement, disability, or termination of employment, 71 percent of the participants in savings and thrift plans were allowed to withdraw all or a portion of employer contributions. However, 34 percent were only allowed to withdraw employer contributions for hardship reasons, such as medical or educational expenses. The remaining

participants could withdraw employer contributions for any reason.

Withdrawals of employer contributions were also subject to a variety of other restrictions. For example, 15 percent of participants who could make withdrawals could only withdraw part of their employer's contribution. And 36 percent of participants who could make withdrawals had a penalty imposed if they did so. Most commonly, penalties involved suspending employee contributions, and employer matching contributions, for a given period, such as 6 months or 1 year. Other penalties included suspending employer matching contributions only, or forfeiting nonvested employer contributions.

Another method of accessing an employee's account prior to final payout is through loan provisions—36 percent of participants in savings and thrift plans were allowed to borrow from their accounts. (See chart 6.) Eight percent of participants allowed to borrow were restricted to loans for emergency or hardship situations. Loans were generally required to be repaid within 5 years, but longer payment periods applied for home purchase or renovation loans.

Interest rates on employee loans were typically determined by a specific economic indicator (such as the prime

rate or U.S. Treasury bill rate), were at the discretion of the plan sponsor (employer, employer association, or union), or varied by the reason for the loan. In the latter case, loans for the purchase of a home are often available at lower rates than other loans. The following table shows the percent of participants in savings and thrift plans with loan provisions by the method of determining the interest rate:

| <i>Method of determining interest on loan</i> | <i>Percent of participants</i> |
|---|--------------------------------|
| Fixed rate .....                              | 6                              |
| Based on given economic indicator .....       | 39                             |
| At discretion of plan .....                   | 20                             |
| Varies by reason for loan .....               | 30                             |
| Not determinable .....                        | 6                              |

*Distribution (table 108).* At retirement, savings and thrift plans virtually always allowed for payout in the form of a lump sum. Many participants were given a choice from among a lump sum and other options, such as a lifetime annuity or installments over a specified period.

### **Profit-sharing plans**

Profit-sharing plans were available to 16 percent of all employees in 1989 (table 99). There are three types of profit-sharing plans—cash plans (covering 1 percent of the workers), deferred plans (14 percent), and plans that offer a combination of cash and deferred benefits (2 percent). In a cash plan, benefits are paid directly to the participants in cash, usually at the end of the year, while a deferred plan holds money in employee accounts until retirement or another condition stipulated by the plan (for example, disability or death). In a combined plan, the employee may automatically receive a portion of the profits in cash, with the remainder placed in a deferred account, or the employee may be given a choice of cash or deferred benefits.

Three-fifths of the participants in deferred profit-sharing plans had employer contributions determined by a specified formula, such as 4 percent of profits if annual sales were \$2 million to \$5 million, 8 percent if sales exceeded \$5 million. The remaining participants were in plans where the employer contribution was determined at the discretion of the employer (table 109).

Once the employer contribution is determined, it may be allocated to individual participants in a number of ways. The most common method of allocation was as a proportion of salary (64 percent of plan participants). Other allocation methods included formulas based on earnings and service, participants' contributions as a percentage of total contributions, and equal allocations to all participants. Another plan feature, loans from employee accounts, was available to one-fifth of the participants in deferred profit-sharing plans.

### **Participation and vesting**

Minimum age and/or service participation requirements are more common in defined contribution plans

than in defined benefit plans (table 110). To begin accumulating benefits, 85 percent of savings and thrift plan participants and 94 percent of deferred profit-sharing plan participants had to meet such requirements. In contrast, only 65 percent of defined benefit plan participants faced such provisions.

Of the defined contribution plans with participation requirements, most required a minimum amount of service, commonly 1 year, but did not require an employee to be a designated minimum age. Conversely, defined benefit pension plans that included participation requirements most often specified a minimum age and a minimum amount of service.

Defined contribution plans are subject to ERISA vesting rules in the same manner as defined benefit pension plans (table 111). Vesting schedules vary significantly, however, between defined benefit and defined contribution plans, and variations are also common between individual types of defined contribution plans. All vesting schedules apply to employer contributions; employee contributions (including pretax contributions) are always 100-percent vested.

As with defined benefit plans, many sponsors of defined contribution plans adopted shorter vesting schedules in 1989. Participation in plans with immediate full vesting or full vesting schedules of 7 years or less increased significantly.<sup>42</sup>

Immediate full vesting, a feature growing among defined contribution plans but rarely found in defined benefit plans, was available to 30 percent of savings and thrift plan participants and 37 percent of deferred profit-sharing plan participants. Graduated vesting, where an employee's nonforfeitable percentage increases over time and reaches 100 percent, usually after 5 or 7 years, was most common in deferred profit-sharing plans, with half of the participants covered by such a provision. One-third of savings and thrift plans participants had graduated vesting, and only 11 percent of defined benefit plan participants had such vesting.

"Cliff" vesting, where no vesting occurs until an employee satisfies the service requirements for 100-percent vesting, is found in a large majority of defined benefit plans, but was required of only 25 percent of savings and thrift plan participants and 12 percent of deferred profit-sharing plan participants. Most of these participants were fully vested after reaching 5 years of service.

Finally, class-year vesting, where employer contributions for a particular year (class) become nonforfeitable after a specific period of time, was available to only 13 percent of savings and thrift plan participants. Such vesting provisions were uncommon in profit-sharing plans.

<sup>42</sup> Multiemployer plans may continue to use 10-year vesting schedules pursuant to a collectively bargained agreement. Single-employer plans, in accordance with the Tax Reform Act of 1986, were required to institute new vesting standards by the beginning of the plan year that started on or after January 1, 1989.

**Table 98. Retirement and capital accumulation plan coverage: Percent of full-time employees by participation in retirement plans and capital accumulation plans, medium and large firms, 1989**

| Type of plan   | All employees | Professional and administrative employees | Technical and clerical employees | Production and service employees |
|--|---------------|---|----------------------------------|----------------------------------|
| Total .....  | 100           | 100                                       | 100                              | 100                              |
| Covered by retirement or capital accumulation plan .....     | 83            | 87  | 83                               | 81                               |
| Retirement <sup>1</sup> only .....                           | 69            | 69  | 69                               | 70                               |
| Capital accumulation <sup>2</sup> only .....                 | 1             | 2   | 1                                | 1                                |
| Retirement and capital accumulation .....                    | 12            | 16  | 13                               | 10                               |
| Not covered by retirement or capital accumulation plan ..... | 17            | 13  | 17                               | 19                               |

<sup>1</sup> Includes defined benefit pension plans and defined contribution plans such as money purchase pension, profit sharing, and savings and thrift plans in which employer contributions must remain in the participant's account until retirement age, death, disability, separation from service, age 59 1/2, or hardship.

<sup>2</sup> Includes plans in which employer contributions may be withdrawn from participant's account prior to retirement age, death, disability, separation from service, age 59 1/2, or hardship. Excludes pure cash profit sharing, stock option, and stock purchase plans.

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

**Table 99. Defined contribution and stock plans: Percent of full-time employees participating by type of plan, medium and large firms, 1989**

| Type of plan                          | All employees    | Professional and administrative employees | Technical and clerical employees | Production and service employees |
|---------------------------------------|------------------|---|----------------------------------|----------------------------------|
| Savings and thrift <sup>1</sup> ..... | 30               | 41  | 35                               | 21                               |
| Profit sharing .....                  | 16               | 15  | 13                               | 18                               |
| Immediate cash only .....             | 1                | 1   | 1                                | 1                                |
| Deferred benefits only .....          | 13               | 12  | 11                               | 14                               |
| Combination .....                     | 2                | 1   | 2                                | 2                                |
| Employee stock ownership .....        | 3                | 4   | 3                                | 3                                |
| Money purchase pension .....          | 5                | 8   | 6                                | 3                                |
| Stock bonus .....                     | ( <sup>2</sup> ) | ( <sup>2</sup> )                          | ( <sup>2</sup> )                 | ( <sup>2</sup> )                 |

<sup>1</sup> Includes 0.3 percent of employees in plans with both matching and nonmatching employer contributions. Not all participants in such plans may elect or be required to contribute.

<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 100. Retirement and capital accumulation plans:  
Percent of full-time participants by combinations of plans,  
medium and large firms, 1989**

| Type of plan   | All participants | Professional and administrative participants | Technical and clerical participants | Production and service participants |
|--|------------------|--|-------------------------------------|-------------------------------------|
| Total .....  | 100              | 100  | 100                                 | 100                                 |
| Defined benefit pension .....                            | 76               | 74   | 76                                  | 78                                  |
| With:  |                  |  |                                     |                                     |
| No other plan .....                                      | 42               | 32   | 37                                  | 50                                  |
| Profit sharing <sup>1</sup> .....                        | 6                | 4  | 5                                   | 7                                   |
| Savings and thrift .....                                 | 24               | 32   | 29                                  | 17                                  |
| Stock <sup>2</sup> .....                                 | 2                | 1  | 1                                   | 2                                   |
| Profit sharing <sup>1</sup> and saving .....             | 1                | 3  | 2                                   | ( <sup>3</sup> )                    |
| Profit sharing <sup>1</sup> and stock <sup>2</sup> ..... | ( <sup>3</sup> ) | ( <sup>3</sup> )                             | ( <sup>3</sup> )                    | ( <sup>3</sup> )                    |
| Savings and stock <sup>2</sup> .....                     | ( <sup>3</sup> ) | 1  | 1                                   | ( <sup>3</sup> )                    |
| Money purchase pension .....                             | 1                | 1  | ( <sup>3</sup> )                    | 1                                   |
| Other combinations .....                                 | ( <sup>3</sup> ) | ( <sup>3</sup> )                             | ( <sup>3</sup> )                    | ( <sup>3</sup> )                    |
| Profit sharing <sup>1</sup>                              |                  |  |                                     |                                     |
| With:  |                  |  |                                     |                                     |
| No other plan .....                                      | 8                | 6  | 6                                   | 11                                  |
| Savings and thrift .....                                 | 1                | 1  | 1                                   | 1                                   |
| Stock <sup>2</sup> .....                                 | 1                | 1  | 1                                   | ( <sup>3</sup> )                    |
| Savings and stock <sup>2</sup> .....                     | ( <sup>3</sup> ) | ( <sup>3</sup> )                             | ( <sup>3</sup> )                    | ( <sup>3</sup> )                    |
| Money purchase pension .....                             | ( <sup>3</sup> ) | ( <sup>3</sup> )                             | ( <sup>3</sup> )                    | ( <sup>3</sup> )                    |
| Other combinations .....                                 | ( <sup>3</sup> ) | ( <sup>3</sup> )                             | ( <sup>3</sup> )                    | ( <sup>3</sup> )                    |
| Money purchase pension                                   |                  |  |                                     |                                     |
| With:  |                  |  |                                     |                                     |
| No other plan .....                                      | 4                | 6  | 6                                   | 2                                   |
| Savings and thrift .....                                 | 1                | 1  | 1                                   | ( <sup>3</sup> )                    |
| Stock <sup>2</sup> .....                                 | ( <sup>3</sup> ) | ( <sup>3</sup> )                             | ( <sup>3</sup> )                    | ( <sup>3</sup> )                    |
| Savings and stock <sup>2</sup> .....                     | ( <sup>3</sup> ) | ( <sup>3</sup> )                             | ( <sup>3</sup> )                    | -                                   |
| Savings and thrift                                       |                  |  |                                     |                                     |
| With:  |                  |  |                                     |                                     |
| No other plan .....                                      | 8                | 9  | 8                                   | 7                                   |
| Stock <sup>2</sup> .....                                 | ( <sup>3</sup> ) | ( <sup>3</sup> )                             | ( <sup>3</sup> )                    | ( <sup>3</sup> )                    |
| Stock <sup>2</sup> plan                                  |                  |  |                                     |                                     |
| With:  |                  |  |                                     |                                     |
| No other plan .....                                      | 1                | 1  | 1                                   | 1                                   |

<sup>1</sup> Excludes pure cash profit sharing plans.  
<sup>2</sup> Employee stock ownership plans (ESOP's) and stock bonus plans.  
<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 101. Cash or deferred arrangements:<sup>1</sup> Percent of full-time employees participating in plans permitting employee contributions with pretax dollars, medium and large firms, 1989**

| Item  | All employees    | Professional and administrative employees | Technical and clerical employees | Production and service employees |
|---|------------------|---|----------------------------------|----------------------------------|
| Percent of all employees in plans with cash or deferred arrangement | 41               | 54  | 45                               | 31                               |
| Salary reduction plans <sup>2</sup> .....                           | 38               | 52  | 43                               | 28                               |
| Savings and thrift plans .....                                      | 28               | 39  | 33                               | 19                               |
| Profit sharing plans .....  | 4                | 4   | 3                                | 5                                |
| Supplemental contributions to money purchase pension plans          | 1                | 2   | 2                                | ( <sup>3</sup> )                 |
| Freestanding accounts <sup>4</sup> .....                            | 5                | 7   | 5                                | 4                                |
| Other <sup>5</sup> .....  | ( <sup>3</sup> ) | -   | -                                | ( <sup>3</sup> )                 |
| Regular contributions to pension plans on a pretax basis .....      | 1                | 2   | 1                                | 1                                |
| Defined benefit plans <sup>6</sup> .....                            | ( <sup>3</sup> ) | ( <sup>3</sup> )                          | ( <sup>3</sup> )                 | ( <sup>3</sup> )                 |
| Money purchase plans .....  | 1                | 2   | 1                                | 1                                |
| Deferral of profit sharing allocation <sup>7</sup> ..               | 2                | 1   | 2                                | 2                                |

<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> Employee may allocate funds in a flexible benefits plan to a retirement account.

<sup>6</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.

<sup>7</sup> Employer profit sharing distribution may be taken in cash by the employee, triggering current year tax liability, or may be deferred into a long term account, with corresponding deferral of taxes.

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.

**Table 102. Savings and thrift plans: Percent of full-time participants by maximum allowable employee contribution,<sup>1</sup> medium and large firms, 1989**

| Maximum allowable contribution <sup>2</sup> | All participants | Professional and administrative participants | Technical and clerical participants | Production and service participants |
|---|------------------|--|-------------------------------------|-------------------------------------|
| Total .....                                 | 100              | 100  | 100                                 | 100                                 |
| Percent of employee earnings .....          | 97               | 98   | 98                                  | 94                                  |
| 5 percent or less .....                     | 2                | 2  | 1                                   | 3                                   |
| 6 percent .....                             | 4                | 4  | 4                                   | 3                                   |
| 8 percent .....                             | 4                | 6  | 4                                   | 2                                   |
| 9 percent .....                             | 1                | 1  | 1                                   | ( <sup>3</sup> )                    |
| 10 percent .....                            | 12               | 9  | 11                                  | 17                                  |
| 11 percent .....                            | 1                | 2  | 1                                   | ( <sup>3</sup> )                    |
| 11.01-11.99 percent .....                   | ( <sup>3</sup> ) | ( <sup>3</sup> )                             | ( <sup>3</sup> )                    | 1                                   |
| 12 percent .....                            | 13               | 13   | 14                                  | 12                                  |
| 12.01-12.99 percent .....                   | 1                | ( <sup>3</sup> )                             | 1                                   | 1                                   |
| 13 percent .....                            | 3                | 3  | 5                                   | 1                                   |
| 14 percent .....                            | 2                | 2  | 2                                   | 2                                   |
| 15 percent .....                            | 17               | 20   | 17                                  | 14                                  |
| 16 percent .....                            | 21               | 17   | 25                                  | 22                                  |
| 17 percent .....                            | 5                | 7  | 3                                   | 4                                   |
| 17.01-17.99 percent .....                   | ( <sup>3</sup> ) | ( <sup>3</sup> )                             | ( <sup>3</sup> )                    | ( <sup>3</sup> )                    |
| 18 percent .....                            | 3                | 2  | 3                                   | 4                                   |
| 18.01-19.99 percent .....                   | 1                | 1  | 1                                   | 1                                   |
| 20 percent .....                            | 4                | 4  | 3                                   | 4                                   |
| 20.01-24.99 percent .....                   | 1                | 2  | 1                                   | 1                                   |
| 25 percent .....                            | 2                | 2  | 1                                   | 3                                   |
| Greater than 25 percent .....               | ( <sup>3</sup> ) | ( <sup>3</sup> )                             | ( <sup>3</sup> )                    | 1                                   |
| Specified dollar amount .....               | 1                | ( <sup>3</sup> )                             | 1                                   | 3                                   |
| Internal Revenue Code limit .....           | 1                | 1  | 1                                   | ( <sup>3</sup> )                    |
| Other <sup>4</sup> .....                    | 1                | 1  | 1                                   | 2                                   |
| Data not available .....                    | ( <sup>3</sup> ) | ( <sup>3</sup> )                             | ( <sup>3</sup> )                    | ( <sup>3</sup> )                    |

- <sup>1</sup> Includes contributions that may not be matched by the employer.  
<sup>2</sup> If maximum varied by participant's length of service, age, or both, the highest possible percentage was tabulated.  
<sup>3</sup> Less than 0.5 percent.  
<sup>4</sup> Includes participants in plans where the employee's contribution was a fixed percent of earnings up to a specified dollar level and a higher percentage above that level.

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

**Table 103. Savings and thrift plans: Percent of full-time participants by provision for pretax employee contributions, medium and large firms, 1989**

| Item                                  | All participants | Professional and administrative participants | Technical and clerical participants | Production and service participants |
|---------------------------------------|------------------|--|-------------------------------------|-------------------------------------|
| Total .....                           | 100              | 100  | 100                                 | 100                                 |
| Pretax contribution allowed .....     | 92               | 94   | 94                                  | 89                                  |
| Pretax contribution not allowed ..... | 8                | 6  | 6                                   | 11                                  |

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



**Table 104. Savings and thrift plans: Percent of full-time participants in plans that allow pretax employee contributions by method of determining contribution, medium and large firms, 1989**

| Item <sup>1</sup>                      | Total            | All contributions must be pretax | Initial contributions must be pretax; additional contributions must be posttax | Initial contributions must be pretax; additional contributions may be either pretax or posttax, at the employee's option | Initial contributions may be either pretax or posttax at the employee's option |
|--|------------------|----------------------------------|--|--|--|
| <b>All participants</b>                |                  |                                  |  |  |  |
| Total .....                            | 100              | 36                               | 7  | 4  | 53   |
| Maximum contributions allowed:         |                  |                                  |  |  |  |
| Less than 5 percent .....              | 3                | 1                                | ( <sup>0</sup> )   | -  | 1  |
| 5 percent .....                        | 1                | 1                                | ( <sup>0</sup> )   | -  | 1  |
| 6 percent .....                        | 8                | 3                                | 2  | -  | 2  |
| 7 percent .....                        | ( <sup>0</sup> ) | -                                | ( <sup>0</sup> )   | -  | -  |
| 8 percent .....                        | 5                | 3                                | ( <sup>0</sup> )   | -  | 2  |
| 9 percent .....                        | 1                | 1                                | -  | -  | -  |
| 10 percent .....                       | 17               | 7                                | 2  | 1  | 6  |
| 11 percent .....                       | 1                | ( <sup>0</sup> )                 | -  | -  | 1  |
| 11.01-11.99 percent .....              | ( <sup>0</sup> ) | ( <sup>0</sup> )                 | -  | -  | -  |
| 12 percent .....                       | 14               | 6                                | 1  | 1  | 7  |
| 12.01-12.99 percent .....              | 1                | ( <sup>0</sup> )                 | -  | -  | ( <sup>0</sup> )   |
| 13 percent .....                       | 2                | 1                                | -  | 1  | 1  |
| 14 percent .....                       | 2                | 1                                | -  | -  | 1  |
| 15 percent .....                       | 16               | 5                                | ( <sup>0</sup> )   | ( <sup>0</sup> )   | 11   |
| 16 percent .....                       | 17               | 4                                | -  | 1  | 12   |
| Greater than 16 percent .....          | 10               | 2                                | -  | 1  | 7  |
| Specified dollar amount .....          | 1                | 1                                | -  | -  | 1  |
| Internal Revenue Code limit .....      | 1                | 1                                | -  | -  | -  |
| <b>Professional and administrative</b> |                  |                                  |  |  |  |
| Total .....                            | 100              | 35                               | 6  | 4  | 55   |
| Maximum contributions allowed:         |                  |                                  |  |  |  |
| Less than 5 percent .....              | 3                | 2                                | ( <sup>0</sup> )   | -  | 1  |
| 5 percent .....                        | 1                | ( <sup>0</sup> )                 | ( <sup>0</sup> )   | -  | 1  |
| 6 percent .....                        | 8                | 3                                | 2  | -  | 3  |
| 7 percent .....                        | ( <sup>0</sup> ) | -                                | ( <sup>0</sup> )   | -  | -  |
| 8 percent .....                        | 7                | 4                                | 1  | -  | 2  |
| 9 percent .....                        | 1                | 1                                | -  | -  | -  |
| 10 percent .....                       | 13               | 6                                | 1  | ( <sup>0</sup> )   | 6  |
| 11 percent .....                       | 2                | ( <sup>0</sup> )                 | -  | -  | 1  |
| 11.01-11.99 percent .....              | ( <sup>0</sup> ) | ( <sup>0</sup> )                 | -  | -  | -  |
| 12 percent .....                       | 14               | 6                                | 1  | 1  | 7  |
| 12.01-12.99 percent .....              | ( <sup>0</sup> ) | ( <sup>0</sup> )                 | -  | -  | ( <sup>0</sup> )   |
| 13 percent .....                       | 3                | 1                                | -  | 1  | ( <sup>0</sup> )   |
| 14 percent .....                       | 2                | 1                                | -  | -  | 1  |
| 15 percent .....                       | 19               | 5                                | ( <sup>0</sup> )   | ( <sup>0</sup> )   | 14   |
| 16 percent .....                       | 13               | 2                                | -  | ( <sup>0</sup> )   | 10   |
| Greater than 16 percent .....          | 13               | 1                                | -  | 2  | 9  |
| Specified dollar amount .....          | ( <sup>0</sup> ) | ( <sup>0</sup> )                 | -  | -  | -  |
| Internal Revenue Code limit .....      | 1                | 1                                | -  | -  | -  |

See footnotes at end of table.

**Table 104. Savings and thrift plans: Percent of full-time participants in plans that allow pretax employee contributions by method of determining contribution, medium and large firms, 1989—Continued**

| Item <sup>1</sup>                 | Total            | All contributions must be pretax | Initial contributions must be pretax; additional contributions must be posttax | Initial contributions must be pretax; additional contributions may be either pretax or posttax, at the employee's option | Initial contributions may be either pretax or posttax at the employee's option |
|-----------------------------------|------------------|----------------------------------|--|--|--|
| <b>Technical and clerical</b>     |                  |                                  |  |  |  |
| Total .....                       | 100              | 37                               | 8  | 4  | 51   |
| Maximum contributions allowed:    |                  |                                  |  |  |  |
| Less than 5 percent .....         | 3                | 1                                | ( <sup>2</sup> )   | -  | 1  |
| 5 percent .....                   | ( <sup>2</sup> ) | ( <sup>2</sup> )                 | ( <sup>2</sup> )   | -  | ( <sup>2</sup> )   |
| 6 percent .....                   | 10               | 3                                | 4  | -  | 4  |
| 7 percent .....                   | ( <sup>2</sup> ) | -                                | ( <sup>2</sup> )   | -  | -  |
| 8 percent .....                   | 5                | 2                                | ( <sup>2</sup> )   | -  | 2  |
| 9 percent .....                   | 1                | 1                                | -  | -  | -  |
| 10 percent .....                  | 15               | 8                                | 2  | 1  | 4  |
| 11 percent .....                  | 1                | ( <sup>2</sup> )                 | -  | -  | 1  |
| 11.01-11.99 percent .....         | ( <sup>2</sup> ) | ( <sup>2</sup> )                 | -  | -  | -  |
| 12 percent .....                  | 15               | 6                                | 1  | 1  | 6  |
| 12.01-12.99 percent .....         | 1                | 1                                | -  | -  | ( <sup>2</sup> )   |
| 13 percent .....                  | 4                | 1                                | -  | 1  | 2  |
| 14 percent .....                  | 2                | 1                                | -  | -  | 1  |
| 15 percent .....                  | 15               | 6                                | ( <sup>2</sup> )   | ( <sup>2</sup> )   | 10   |
| 16 percent .....                  | 18               | 4                                | -  | ( <sup>2</sup> )   | 14   |
| Greater than 16 percent .....     | 7                | 1                                | -  | 1  | 5  |
| Specified dollar amount .....     | 1                | 1                                | -  | -  | ( <sup>2</sup> )   |
| Internal Revenue Code limit ..... | 1                | 1                                | -  | -  | -  |
| <b>Production and service</b>     |                  |                                  |  |  |  |
| Total .....                       | 100              | 35                               | 7  | 4  | 53   |
| Maximum contributions allowed:    |                  |                                  |  |  |  |
| Less than 5 percent .....         | 2                | 1                                | ( <sup>2</sup> )   | -  | 1  |
| 5 percent .....                   | 3                | 2                                | ( <sup>2</sup> )   | -  | 1  |
| 6 percent .....                   | 5                | 3                                | 1  | -  | ( <sup>2</sup> )   |
| 7 percent .....                   | 1                | -                                | 1  | -  | -  |
| 8 percent .....                   | 2                | 1                                | -  | -  | 1  |
| 9 percent .....                   | ( <sup>2</sup> ) | ( <sup>2</sup> )                 | -  | -  | -  |
| 10 percent .....                  | 22               | 7                                | 4  | 3  | 9  |
| 11 percent .....                  | ( <sup>2</sup> ) | ( <sup>2</sup> )                 | -  | -  | ( <sup>2</sup> )   |
| 12 percent .....                  | 13               | 5                                | 1  | -  | 7  |
| 12.01-12.99 percent .....         | 1                | ( <sup>2</sup> )                 | -  | -  | 1  |
| 13 percent .....                  | 1                | ( <sup>2</sup> )                 | -  | -  | 1  |
| 14 percent .....                  | 2                | ( <sup>2</sup> )                 | -  | -  | 2  |
| 15 percent .....                  | 14               | 4                                | ( <sup>2</sup> )   | ( <sup>2</sup> )   | 10   |
| 16 percent .....                  | 20               | 7                                | -  | 1  | 12   |
| Greater than 16 percent .....     | 10               | 3                                | -  | 1  | 6  |
| Specified dollar amount .....     | 3                | 1                                | -  | -  | 2  |
| Internal Revenue Code limit ..... | 2                | 2                                | -  | -  | -  |

<sup>1</sup> If maximum contributions varied by participant's length-of-service, age, or both, the highest possible percentage 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 105. Savings and thrift plans: Percent of full-time participants by provision for employer matching contributions, medium and large firms, 1989**

| Employee earnings to be matched <sup>1</sup> | Total | Matching percentage <sup>2</sup> |            |            |             |                         |                          |                     |                    |
|--|-------|----------------------------------|------------|------------|-------------|-------------------------|--------------------------|---------------------|--------------------|
|  |       | 25 percent                       | 50 percent | 75 percent | 100 percent | Other fixed percentages | Varies with contribution | Varies with profits | Other <sup>3</sup> |
| <b>All participants</b>                      |       |                                  |            |            |             |                         |                          |                     |                    |
| Total .....                                  | 100   | 7                                | 38         | 4          | 14          | 13                      | 6                        | 11                  | 7                  |
| Up to the first:                             |       |                                  |            |            |             |                         |                          |                     |                    |
| 2 percent .....                              | 3     | -                                | 1          | -          | 1           | -                       | 0                        | 0                   | 0                  |
| 3 percent .....                              | 8     | (0)                              | 2          | -          | 4           | 1                       | 0                        | 1                   | 0                  |
| 4 percent .....                              | 11    | 2                                | 3          | 1          | 2           | 1                       | 0                        | 0                   | 2                  |
| 5 percent .....                              | 14    | 1                                | 4          | 0          | 2           | 3                       | 1                        | 2                   | 0                  |
| 6 percent .....                              | 47    | 2                                | 22         | 0          | 4           | 5                       | 4                        | 7                   | 3                  |
| 7 percent .....                              | 3     | -                                | 2          | 0          | 1           | 0                       | 0                        | -                   | -                  |
| 8 percent .....                              | 4     | -                                | 1          | 2          | 0           | 0                       | 0                        | -                   | 1                  |
| 9 percent .....                              | (0)   | -                                | -          | 0          | -           | -                       | -                        | -                   | -                  |
| 10 percent .....                             | 4     | 1                                | 1          | -          | -           | 1                       | -                        | -                   | -                  |
| 12 percent .....                             | (0)   | -                                | -          | -          | -           | 0                       | -                        | 0                   | -                  |
| Greater than 12 percent .....                | 1     | (0)                              | (0)        | -          | 0           | 0                       | 0                        | 0                   | -                  |
| Specified dollar amount .....                | 4     | (0)                              | 2          | -          | 0           | 1                       | 0                        | -                   | 0                  |
| <b>Professional and administrative</b>       |       |                                  |            |            |             |                         |                          |                     |                    |
| Total .....                                  | 100   | 5                                | 33         | 6          | 15          | 18                      | 6                        | 10                  | 6                  |
| Up to the first:                             |       |                                  |            |            |             |                         |                          |                     |                    |
| 2 percent .....                              | 2     | -                                | 1          | -          | 1           | -                       | -                        | 0                   | 0                  |
| 3 percent .....                              | 9     | (0)                              | 2          | -          | 5           | 1                       | 0                        | 0                   | 0                  |
| 4 percent .....                              | 9     | 2                                | 3          | 1          | 2           | 1                       | -                        | 0                   | 2                  |
| 5 percent .....                              | 15    | 1                                | 4          | 1          | 3           | 5                       | 1                        | 1                   | 0                  |
| 6 percent .....                              | 45    | 2                                | 19         | 0          | 4           | 7                       | 4                        | 7                   | 3                  |
| 7 percent .....                              | 5     | -                                | 3          | 1          | 1           | 0                       | 0                        | -                   | -                  |
| 8 percent .....                              | 7     | -                                | 2          | 3          | 0           | 0                       | 1                        | -                   | 1                  |
| 9 percent .....                              | 1     | -                                | -          | 1          | -           | 0                       | -                        | -                   | -                  |
| 10 percent .....                             | 4     | 1                                | (0)        | -          | -           | 3                       | 0                        | 0                   | 0                  |
| 12 percent .....                             | (0)   | -                                | -          | -          | -           | 0                       | -                        | 0                   | -                  |
| Greater than 12 percent .....                | 1     | (0)                              | (0)        | -          | -           | 0                       | -                        | 0                   | -                  |
| Specified dollar amount .....                | 2     | 1                                | (0)        | -          | 1           | 0                       | 0                        | -                   | 0                  |
| <b>Technical and clerical</b>                |       |                                  |            |            |             |                         |                          |                     |                    |
| Total .....                                  | 100   | 5                                | 36         | 4          | 16          | 13                      | 6                        | 14                  | 6                  |
| Up to the first:                             |       |                                  |            |            |             |                         |                          |                     |                    |
| 2 percent .....                              | 2     | -                                | (0)        | -          | 1           | -                       | -                        | 0                   | 0                  |
| 3 percent .....                              | 12    | (0)                              | 3          | -          | 6           | 1                       | 0                        | 2                   | 0                  |
| 4 percent .....                              | 11    | 1                                | 3          | 1          | 2           | 2                       | 1                        | 0                   | 2                  |
| 5 percent .....                              | 10    | (0)                              | 2          | 1          | 2           | 3                       | 1                        | 2                   | 0                  |
| 6 percent .....                              | 48    | 2                                | 21         | 0          | 4           | 4                       | 4                        | 9                   | 3                  |
| 7 percent .....                              | 2     | -                                | 1          | 0          | 1           | 0                       | 0                        | -                   | -                  |
| 8 percent .....                              | 4     | -                                | 1          | 1          | 0           | 0                       | 0                        | -                   | 1                  |
| 9 percent .....                              | (0)   | -                                | -          | 0          | -           | 1                       | -                        | -                   | -                  |
| 10 percent .....                             | 5     | 1                                | 2          | -          | -           | 2                       | -                        | 0                   | -                  |
| 12 percent .....                             | (0)   | -                                | -          | -          | -           | 0                       | -                        | 0                   | -                  |
| Greater than 12 percent .....                | 1     | (0)                              | (0)        | -          | 1           | 0                       | 0                        | 0                   | -                  |
| Specified dollar amount .....                | 5     | (0)                              | 3          | -          | 1           | 0                       | 0                        | -                   | 0                  |

See footnotes at end of table.

**Table 105. Savings and thrift plans: Percent of full-time participants by provision for employer matching contributions, medium and large firms, 1989—Continued**

| Employee earnings to be matched <sup>1</sup> | Total | Matching percentage <sup>2</sup> |                  |                  |                  |                         |                          |                     |                    |
|--|-------|----------------------------------|------------------|------------------|------------------|-------------------------|--------------------------|---------------------|--------------------|
|  |       | 25 percent                       | 50 percent       | 75 percent       | 100 percent      | Other fixed percentages | Varies with contribution | Varies with profits | Other <sup>3</sup> |
| <b>Production and service</b>                |       |                                  |                  |                  |                  |                         |                          |                     |                    |
| Total .....                                  | 100   | 10                               | 46               | 1                | 10               | 8                       | 6                        | 11                  | 8                  |
| Up to the first:                             |       |                                  |                  |                  |                  |                         |                          |                     |                    |
| 2 percent .....                              | 5     | -                                | 1                | -                | 2                | -                       | 1                        | ( <sup>4</sup> )    | ( <sup>4</sup> )   |
| 3 percent .....                              | 4     | ( <sup>4</sup> )                 | 1                | -                | 2                | ( <sup>4</sup> )        | ( <sup>4</sup> )         | 1                   | ( <sup>4</sup> )   |
| 4 percent .....                              | 12    | 4                                | 3                | ( <sup>4</sup> ) | 1                | 1                       | -                        | ( <sup>4</sup> )    | 1                  |
| 5 percent .....                              | 15    | 1                                | 7                | ( <sup>4</sup> ) | 1                | 2                       | 1                        | 3                   | 1                  |
| 6 percent .....                              | 50    | 4                                | 25               | 1                | 3                | 4                       | 3                        | 6                   | 4                  |
| 7 percent .....                              | 3     | -                                | 2                | -                | ( <sup>4</sup> ) | 1                       | ( <sup>4</sup> )         | -                   | -                  |
| 8 percent .....                              | 1     | -                                | ( <sup>4</sup> ) | ( <sup>4</sup> ) | ( <sup>4</sup> ) | ( <sup>4</sup> )        | ( <sup>4</sup> )         | -                   | ( <sup>4</sup> )   |
| 10 percent .....                             | 3     | 1                                | 2                | -                | -                | -                       | -                        | ( <sup>4</sup> )    | ( <sup>4</sup> )   |
| Greater than 12 percent .....                | 2     | ( <sup>4</sup> )                 | 1                | -                | ( <sup>4</sup> ) | ( <sup>4</sup> )        | 1                        | ( <sup>4</sup> )    | -                  |
| Specified dollar amount .....                | 6     | -                                | 5                | -                | ( <sup>4</sup> ) | 1                       | -                        | -                   | ( <sup>4</sup> )   |

<sup>1</sup> Employee may contribute a percent of salary up to a specified maximum; ceilings on contributions to be matched by employers generally are lower. If the maximum varied by participant's length-of-service, age, or both, the highest possible percentage was tabulated.

<sup>2</sup> The percentage of matchable employee contributions added by employers. Some plans specified a maximum annual employer contribution.

<sup>3</sup> Includes percentages that vary by type of investment chosen and by length of 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 106. Savings and thrift plans: Percent of full-time participants by provisions for investment of employer and employee contributions, medium and large firms, 1989**

| Characteristic   | All participants       |                        | Professional and administrative participants |                        | Technical and clerical participants |                        | Production and service participants |                        |
|--|------------------------|------------------------|--|------------------------|-------------------------------------|------------------------|-------------------------------------|------------------------|
|  | Employer contributions | Employee contributions | Employer contributions                       | Employee contributions | Employer contributions              | Employee contributions | Employer contributions              | Employee contributions |
| Total in plans permitting investment choices by employees <sup>1</sup> ..... | 53                     | 90                     | 58   | 93                     | 51                                  | 92                     | 49                                  | 86                     |
| <b>Investment choice</b>   |                        |                        |  |                        |                                     |                        |                                     |                        |
| Total .....  | 100                    | 100                    | 100  | 100                    | 100                                 | 100                    | 100                                 | 100                    |
| Company stock .....  | 50                     | 60                     | 51   | 59                     | 47                                  | 60                     | 51                                  | 63                     |
| Common stock fund .....  | 83                     | 79                     | 85   | 84                     | 85                                  | 78                     | 76                                  | 72                     |
| Long-term interest bearing securities .....                                  | 37                     | 32                     | 38   | 37                     | 44                                  | 36                     | 29                                  | 22                     |
| Diversified mix of stocks and bonds .....                                    | 31                     | 26                     | 29   | 26                     | 32                                  | 25                     | 31                                  | 25                     |
| Government securities .....  | 23                     | 25                     | 26   | 30                     | 24                                  | 25                     | 17                                  | 21                     |
| Guaranteed investment contracts .....  | 59                     | 64                     | 59   | 61                     | 51                                  | 59                     | 68                                  | 72                     |
| Money market funds .....   | 41                     | 35                     | 44   | 40                     | 47                                  | 39                     | 31                                  | 27                     |
| Certificates of deposit .....  | 4                      | 3                      | 4  | 3                      | 7                                   | 4                      | 1                                   | 1                      |
| Other <sup>2</sup> .....   | 7                      | 10                     | 7  | 12                     | 9                                   | 8                      | 5                                   | 8                      |
| Investment choices not determinable .....                                    | 2                      | 1                      | 2  | 1                      | 2                                   | 1                      | 1                                   | 1                      |
| <b>Number of choices</b>   |                        |                        |  |                        |                                     |                        |                                     |                        |
| Total .....  | 100                    | 100                    | 100  | 100                    | 100                                 | 100                    | 100                                 | 100                    |
| Two .....  | 22                     | 25                     | 16   | 19                     | 21                                  | 27                     | 31                                  | 30                     |
| Three .....  | 40                     | 36                     | 43   | 37                     | 34                                  | 30                     | 41                                  | 41                     |
| Four .....   | 20                     | 23                     | 21   | 25                     | 21                                  | 25                     | 17                                  | 19                     |
| Five or more .....   | 16                     | 15                     | 18   | 19                     | 22                                  | 16                     | 10                                  | 9                      |
| Investment choices not determinable .....                                    | 2                      | 1                      | 2  | 1                      | 2                                   | 1                      | 1                                   | 1                      |

<sup>1</sup> Excludes plans that limit investment options to participants age 55 or greater.

<sup>2</sup> Includes purchases of life insurance or annuities, real estate, mortgages, and deposits in credit union or savings accounts.

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

**Table 107. Saving and thrift plans: Percent of full-time participants by provisions for withdrawal of employer contributions prior to disability, retirement age, or termination of employment, medium and large firms, 1989**

| Least restrictive provision             | All participants | Professional and administrative participants | Technical and clerical participants | Production and service participants |
|---|------------------|--|-------------------------------------|-------------------------------------|
| Total .....                             | 100              | 100  | 100                                 | 100                                 |
| Withdrawals permitted .....             | 71               | 74   | 70                                  | 68                                  |
| For hardship reasons <sup>1</sup> ..... | 34               | 34   | 36                                  | 32                                  |
| Full withdrawal, no penalty ....        | 22               | 21   | 22                                  | 22                                  |
| Full withdrawal, with penalty .         | 7                | 6  | 6                                   | 7                                   |
| Partial withdrawal, no penalty          | 5                | 7  | 6                                   | 3                                   |
| Partial withdrawal, with penalty .....  | ( <sup>2</sup> ) | ( <sup>2</sup> )                             | ( <sup>2</sup> )                    | ( <sup>2</sup> )                    |
| Not determinable .....                  | ( <sup>2</sup> ) | ( <sup>2</sup> )                             | ( <sup>2</sup> )                    | 1                                   |
| For any reason .....                    | 37               | 39   | 35                                  | 35                                  |
| Full withdrawal, no penalty ....        | 15               | 16   | 15                                  | 14                                  |
| Full withdrawal, with penalty .         | 16               | 16   | 15                                  | 18                                  |
| Partial withdrawal, no penalty          | 2                | 4  | 2                                   | 1                                   |
| Partial withdrawal, with penalty .....  | 2                | 3  | 2                                   | 2                                   |
| Not determinable .....                  | ( <sup>2</sup> ) | ( <sup>2</sup> )                             | ( <sup>2</sup> )                    | -                                   |
| No withdrawals permitted .....          | 29               | 26   | 30                                  | 32                                  |

<sup>1</sup> Commonly expressed reasons for withdrawal were: Purchase or repair of primary residence, education of an immediate family member, death or illness in the family, or sudden uninsured loss.

<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 108. Savings and thrift plans: Percent of full-time participants by method of distribution of account at retirement, medium and large firms, 1989**

| Method of distribution available                            | All participants | Professional and administrative participants | Technical and clerical participants | Production and service participants |
|---|------------------|--|-------------------------------------|-------------------------------------|
| Total .....   | 100              | 100  | 100                                 | 100                                 |
| Cash distribution <sup>1</sup> .....                        | 97               | 97   | 96                                  | 96                                  |
| Lifetime annuity (including joint-and-survivor forms) ..... | 28               | 25   | 24                                  | 33                                  |
| Installments .....  | 52               | 53   | 52                                  | 50                                  |
| Lump sum .....  | 96               | 96   | 95                                  | 96                                  |
| Stock distribution <sup>2</sup> .....                       | ( <sup>3</sup> ) | ( <sup>3</sup> )                             | ( <sup>3</sup> )                    | -                                   |
| Not determinable .....                                      | 3                | 3  | 4                                   | 4                                   |

<sup>1</sup> The total is less than the sum of the individual items because many participants are offered optional forms of cash distribution.

<sup>2</sup> Employer and employee contributions are invested solely in company stock, which is automatically distributed upon retirement or termination of employment.

<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 109. Deferred profit sharing plans: Percent of full-time participants by selected provisions, medium and large firms, 1989**

| Item  | All participants | Professional and administrative participants | Technical and clerical participants | Production and service participants |
|---|------------------|--|-------------------------------------|-------------------------------------|
| Total .....   | 100              | 100  | 100                                 | 100                                 |
| <b>Method of determining employer contributions</b>                   |                  |  |                                     |                                     |
| Based on stated formula .....   | 60               | 56   | 54                                  | 65                                  |
| Fixed percent of profits .....  | 10               | 11   | 9                                   | 9                                   |
| Sliding percentage based on profits, sales, or return on assets ..... | 18               | 12   | 10                                  | 24                                  |
| Determined by unit profits .....                                      | ( <sup>1</sup> ) | ( <sup>1</sup> )                             | ( <sup>1</sup> )                    | -                                   |
| Other stated formula .....  | 33               | 33   | 35                                  | 32                                  |
| No predetermined formula .....  | 40               | 44   | 46                                  | 35                                  |
| <b>Allocation of profits to individual employees</b>                  |                  |  |                                     |                                     |
| Equally to all participants .....                                     | 1                | -  | -                                   | 1                                   |
| Based on earnings .....   | 64               | 67   | 71                                  | 60                                  |
| Based on earnings and service .....                                   | 9                | 10   | 8                                   | 9                                   |
| Based on participants' contributions                                  | 9                | 7  | 7                                   | 11                                  |
| Other <sup>2</sup> .....  | 17               | 16   | 14                                  | 18                                  |
| <b>Loans from employees' accounts</b>                                 |                  |  |                                     |                                     |
| Permitted .....   | 19               | 28   | 28                                  | 11                                  |
| Not permitted .....   | 81               | 72   | 72                                  | 89                                  |

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

<sup>2</sup> Includes participants in plans that based allocation on unit performance or the ratio of employee compensated hours to total compensated hours.

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

**Table 110. Savings and thrift and deferred profit sharing plans: Percent of full-time participants by age and length-of-service requirements for participation, medium and large firms, 1989**

| Age and service requirement provision <sup>1</sup>   | All participants         |                               | Professional and administrative participants |                               | Technical and clerical participants |                               | Production and service participants |                               |
|--|--------------------------|-------------------------------|--|-------------------------------|-------------------------------------|-------------------------------|-------------------------------------|-------------------------------|
|  | Savings and thrift plans | Deferred profit sharing plans | Savings and thrift plans                     | Deferred profit sharing plans | Savings and thrift plans            | Deferred profit sharing plans | Savings and thrift plans            | Deferred profit sharing plans |
| Total .....  | 100                      | 100                           | 100  | 100                           | 100                                 | 100                           | 100                                 | 100                           |
| With minimum age and/or service requirement .....    | 85                       | 94                            | 85   | 93                            | 89                                  | 93                            | 83                                  | 94                            |
| Service requirement only .....                       | 62                       | 65                            | 63   | 67                            | 61                                  | 65                            | 60                                  | 64                            |
| 3 months or less .....                               | 4                        | 1                             | 4  | 2                             | 4                                   | 2                             | 4                                   | 1                             |
| 4-5 months .....                                     | ( <sup>2</sup> )         | -                             | ( <sup>2</sup> )                             | -                             | ( <sup>2</sup> )                    | -                             | ( <sup>2</sup> )                    | -                             |
| 6 months .....                                       | 7                        | 3                             | 9  | 3                             | 6                                   | 3                             | 6                                   | 4                             |
| 1 year .....   | 45                       | 54                            | 46   | 54                            | 45                                  | 50                            | 44                                  | 56                            |
| 13-23 months .....                                   | ( <sup>2</sup> )         | -                             | ( <sup>2</sup> )                             | -                             | ( <sup>2</sup> )                    | -                             | -                                   | -                             |
| 2 years .....  | 4                        | 1                             | 3  | 1                             | 4                                   | 6                             | 6                                   | ( <sup>2</sup> )              |
| 3 years .....  | 1                        | 5                             | 1  | 7                             | 2                                   | 5                             | ( <sup>2</sup> )                    | 4                             |
| Age 20 or less .....                                 | 5                        | 4                             | 5  | 4                             | 5                                   | 3                             | 4                                   | 4                             |
| No service requirement .....                         | ( <sup>2</sup> )         | 1                             | ( <sup>2</sup> )                             | 1                             | ( <sup>2</sup> )                    | 1                             | 1                                   | 1                             |
| 1-11 months .....                                    | 3                        | 2                             | 3  | 2                             | 3                                   | 1                             | 2                                   | 3                             |
| 1 year .....   | 2                        | 1                             | 2  | 2                             | 2                                   | 1                             | 1                                   | ( <sup>2</sup> )              |
| Age 21 .....   | 19                       | 25                            | 16   | 22                            | 23                                  | 24                            | 19                                  | 27                            |
| No service requirement .....                         | 1                        | ( <sup>2</sup> )              | 1  | 1                             | 1                                   | 1                             | 2                                   | ( <sup>2</sup> )              |
| 1-6 months .....                                     | 1                        | 2                             | 1  | 1                             | 1                                   | 1                             | 1                                   | 2                             |
| 7-11 months .....                                    | ( <sup>2</sup> )         | -                             | ( <sup>2</sup> )                             | -                             | ( <sup>2</sup> )                    | -                             | ( <sup>2</sup> )                    | -                             |
| 1 year .....   | 15                       | 23                            | 13   | 21                            | 19                                  | 22                            | 15                                  | 24                            |
| Over 1 year .....                                    | 1                        | -                             | 1  | -                             | 1                                   | -                             | ( <sup>2</sup> )                    | -                             |
| Age 22 or older .....                                | ( <sup>2</sup> )         | -                             | ( <sup>2</sup> )                             | -                             | ( <sup>2</sup> )                    | -                             | -                                   | -                             |
| 1 year .....   | ( <sup>2</sup> )         | -                             | ( <sup>2</sup> )                             | -                             | ( <sup>2</sup> )                    | -                             | -                                   | -                             |
| Over 1 year .....                                    | ( <sup>2</sup> )         | -                             | ( <sup>2</sup> )                             | -                             | ( <sup>2</sup> )                    | -                             | -                                   | -                             |
| Without minimum age and/or service requirement ..... | 15                       | 6                             | 15   | 7                             | 11                                  | 7                             | 17                                  | 6                             |
| Age and service requirement not determinable .....   | ( <sup>2</sup> )         | -                             | ( <sup>2</sup> )                             | -                             | -                                   | -                             | -                                   | -                             |

<sup>1</sup> If a plan had alternate participation requirements, one of which was service only, the service only requirement 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 111. Savings and thrift and deferred profit sharing plans: Percent of full-time participants by type of vesting schedule, medium and large firms, 1989**

| Type of vesting schedule   | All participants         |                               | Professional and administrative participants |                               | Technical and clerical participants |                               | Production and service participants |                               |
|--|--------------------------|-------------------------------|--|-------------------------------|-------------------------------------|-------------------------------|-------------------------------------|-------------------------------|
|  | Savings and thrift plans | Deferred profit sharing plans | Savings and thrift plans                     | Deferred profit sharing plans | Savings and thrift plans            | Deferred profit sharing plans | Savings and thrift plans            | Deferred profit sharing plans |
| Total .....  | 100                      | 100                           | 100  | 100                           | 100                                 | 100                           | 100                                 | 100                           |
| Immediate full vesting .....   | 30                       | 37                            | 28   | 30                            | 33                                  | 35                            | 29                                  | 42                            |
| Cliff vesting <sup>1</sup> with full vesting after: .....            | 25                       | 12                            | 25   | 11                            | 23                                  | 9                             | 27                                  | 14                            |
| 1-2 years .....  | 2                        | -                             | 1  | -                             | 1                                   | -                             | 3                                   | -                             |
| 3-4 years .....  | 11                       | 4                             | 10   | 2                             | 9                                   | 1                             | 13                                  | 7                             |
| 5 years .....  | 11                       | 4                             | 13   | 5                             | 12                                  | 5                             | 9                                   | 4                             |
| More than 5 years .....  | 1                        | 4                             | 1  | 3                             | 1                                   | 4                             | 2                                   | 4                             |
| Graduated vesting <sup>2</sup> with full vesting after: .....        | 32                       | 50                            | 30   | 57                            | 31                                  | 55                            | 37                                  | 44                            |
| 4 or fewer years .....   | 4                        | 2                             | 3  | ( <sup>3</sup> )              | 3                                   | 1                             | 5                                   | 2                             |
| 5 years .....  | 19                       | 6                             | 20   | 7                             | 20                                  | 12                            | 19                                  | 3                             |
| 6 years .....  | 2                        | 7                             | 2  | 11                            | 2                                   | 5                             | 3                                   | 5                             |
| 7 years .....  | 3                        | 20                            | 2  | 19                            | 3                                   | 16                            | 4                                   | 22                            |
| 8-9 years .....  | ( <sup>3</sup> )         | 1                             | ( <sup>3</sup> )                             | 1                             | ( <sup>3</sup> )                    | 2                             | ( <sup>3</sup> )                    | ( <sup>3</sup> )              |
| 10 years .....   | 2                        | 10                            | 2  | 13                            | 2                                   | 14                            | 4                                   | 7                             |
| 11-14 years .....  | ( <sup>3</sup> )         | 4                             | ( <sup>3</sup> )                             | 5                             | ( <sup>3</sup> )                    | 4                             | 1                                   | 4                             |
| 15 years .....   | -                        | 1                             | -  | 1                             | -                                   | 1                             | -                                   | 1                             |
| Greater than 15 years .....  | ( <sup>3</sup> )         | -                             | ( <sup>3</sup> )                             | -                             | ( <sup>3</sup> )                    | -                             | 1                                   | -                             |
| Class vesting <sup>4</sup> with each class fully vested after: ..... | 13                       | 1                             | 17   | 2                             | 13                                  | 1                             | 8                                   | ( <sup>3</sup> )              |
| 1 year .....   | ( <sup>3</sup> )         | -                             | ( <sup>3</sup> )                             | -                             | ( <sup>3</sup> )                    | -                             | ( <sup>3</sup> )                    | -                             |
| 2 years .....  | 7                        | 1                             | 7  | 2                             | 7                                   | 1                             | 6                                   | ( <sup>3</sup> )              |
| 3 years .....  | 5                        | -                             | 8  | -                             | 5                                   | -                             | 1                                   | -                             |
| More than 3 years .....  | 1                        | ( <sup>3</sup> )              | 2  | ( <sup>3</sup> )              | 1                                   | ( <sup>3</sup> )              | 1                                   | -                             |

<sup>1</sup> Under a cliff vesting schedule, an employee is not entitled to any benefits accrued under the plan until satisfying the requirements for 100 percent vesting.

<sup>2</sup> Graduated vesting schedules give an employee rights to a gradually increasing share of accrued benefits, determined by years of service, eventually reaching 100 percent vesting status. During 1989, as a result of the Tax Reform Act of 1986, sponsors of most single-employer plans who adopt this form of vesting must alter their schedule to provide full vesting by the end of 7 years of service.

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

<sup>4</sup> Under class-year vesting, employers' contributions for a particular year (class) become nonforfeitable after employees satisfy vesting requirements. Subsequent years become fully vested as each class matures. Included here are class year schedules with both graduated and cliff vesting features.

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

## Chapter 8. Plan Administration

In addition to the 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

Single employers were the predominant sponsors of most major benefit plans offered to full-time workers in medium and large firms (table 112). Nearly all participants in life insurance, health care, long-term disability insurance, and defined benefit pension plans were in single-employer plans. Eighty-two percent of sickness and accident insurance participants were in single-employer plans; most of the remaining participants were covered by State temporary disability insurance benefit plans.<sup>43</sup> (State plans are discussed in chapter 5.)

Multiemployer plans result from agreements between employers within an industry or related industries and one or more labor unions. These plans allow employees moving from one employer to another within an industry to receive the same or similar benefits. Defined benefit pension and health care plans were the most common benefits sponsored by multiemployer groups, and production-service employees were the most likely recipients of such benefits. The scope of the survey, which excludes establishments with under 100 employees, may account for the small representation of multiemployer plans. The inclusion of small establishments in such industries as contract construction and trucking might increase the prevalence of such plans.

### Plan financing

Generally, there were many more participants in wholly employer-financed plans than in partly employer-financed plans (table 113). Employee contributions were most often required for medical and dental care, particularly for family coverage. In fact, more than three-fifths of the medical and dental care plan participants were required to contribute toward the cost of family coverage.

<sup>43</sup> Mandatory benefits were also included for railroad employees. A small number of workers received sickness and accident insurance through the Railroad Unemployment Insurance Act, and defined benefit pension plans through Tier 2 of Railroad Retirement. Railroad Retirement is a federally mandated defined benefit pension plan for employees in the railroad and related industries; Tier 2 resembles a private plan.

For almost all benefits, a greater percentage of blue-collar workers than white-collar workers participated in wholly employer-financed plans. The exceptions were life insurance and defined benefit pension plans, where the ratio of contributory to noncontributory plans was similar for all occupational groups.

### Flexible benefits plans and reimbursement accounts

Traditionally, employers have offered their workers benefit plans in a number of areas, such as health care, life insurance, and retirement. Employees may have a choice between one plan or more in a benefit area, for example, between a commercial health insurance plan and a health maintenance organization, but plans in each area are offered separately. In recent years, however, new approaches to offering benefits have attracted considerable attention. Since 1986, BLS has studied two arrangements for offering such benefits—flexible benefits plans and reimbursement accounts (table 114).

Flexible benefits plans, reimbursement accounts, or both were offered to 24 percent—7.8 million—of the employees in medium and large firms in 1989, up from the 13 percent reported in 1988. In 1986, when the Bureau first studied these plans, they were offered to 5 percent of employees. Flexible benefits plans and reimbursement accounts were more common among white-collar workers (35 percent) than among blue-collar workers (11 percent).

Flexible benefits plans, also known as cafeteria plans, covered 9 percent of all workers.<sup>44</sup> These arrangements allow employees to choose between two types of benefits or more. The most common choices offered were health care; life and long-term disability insurance; and the option of receiving cash instead of benefits. Less common choices included extra sick leave and vacation days, the option to deposit funds into a tax-deferred retirement plan, child care expenses, sickness and accident insurance, and group legal services. Pensions are usually fixed benefits and not part of a flexible benefits program.

Twenty-three percent of all workers were eligible for reimbursement accounts, which provide funds from which

<sup>44</sup> For this survey, a plan had to allow choices among two types of benefits or more to be classified as a flexible benefits plan. Thus, plans that permitted a selection in only one benefit (for example, a choice among several health care options or plans) were not classified as flexible benefits plans.



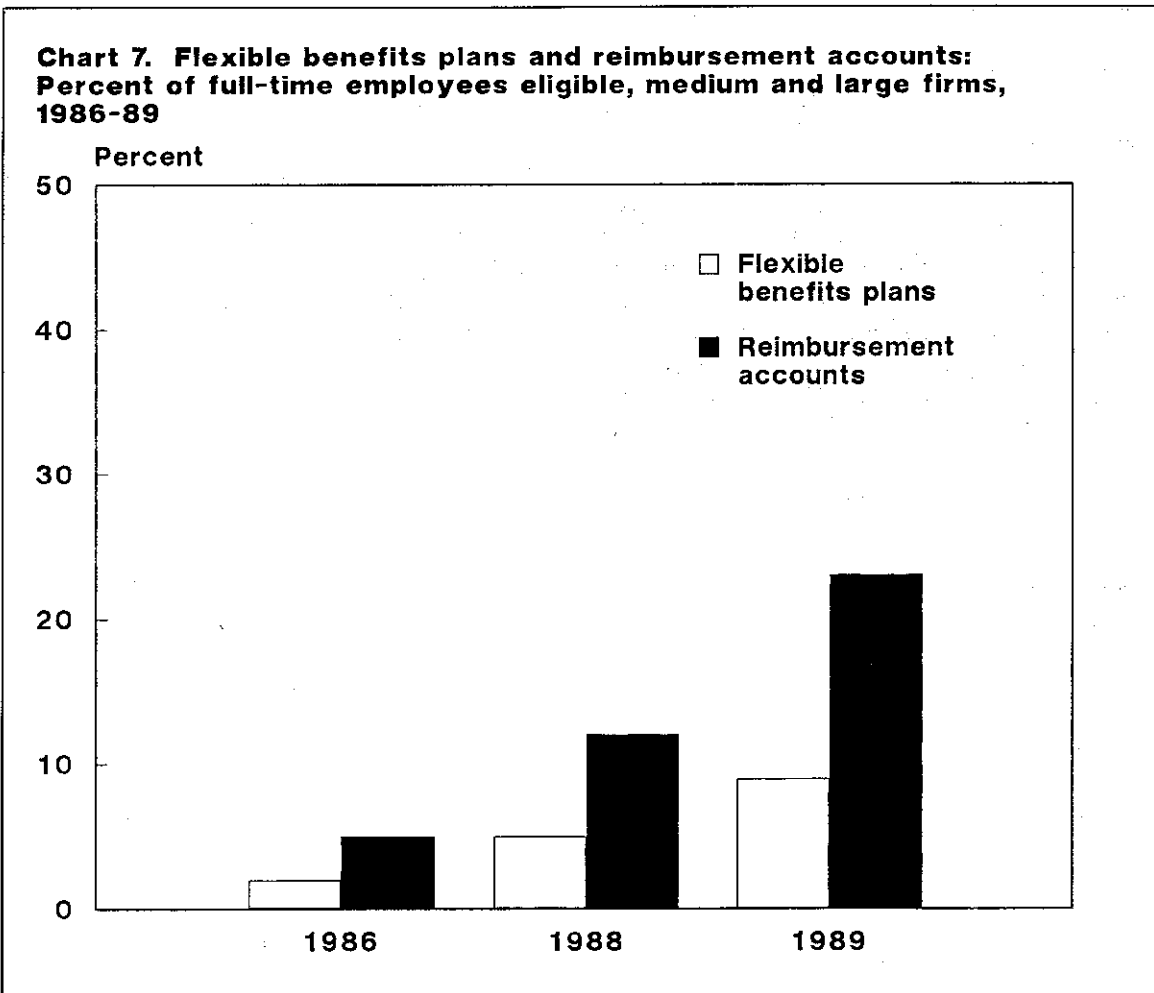
employees pay for expenses not covered by their regular benefits package. These accounts, also called flexible spending accounts, are usually financed by employee pre-tax money, although some accounts are funded either wholly or partly by employers. Reimbursement accounts may be part of a flexible benefits plan or they may stand alone.

More than three-quarters of employees eligible for reimbursement accounts could allocate funds for health care deductibles and coinsurance and for other health expenses not covered by their health care plan (table 115). Almost 90 percent of eligible employees could use money from these accounts to pay for dependent care expenses, generally both child care and care for elderly or disabled relatives. Reimbursement account funds could be allocated

for the payment of the employees' share of health care premiums by 40 percent of eligible employees, while less than 20 percent could use these accounts to pay for other insurance premiums, such as life insurance or a spouse's insurance premiums. Less than 5 percent could use their reimbursement account funds to pay for legal services.

Nine of ten employees participating in flexible benefits plans or reimbursement accounts were required to contribute toward the cost of their benefits, or were allowed to contribute to obtain additional benefits. Nearly all of these contributions were in the form of a salary reduction arrangement.

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



**Table 112. Plan administration: Percent of full-time participants in selected employee benefit programs by type of plan sponsor, medium and large firms, 1989**

| 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                     |
| Single employer .....                   | 98               | 98               | 82                              | 100                            | 94                      |
| Multiemployer <sup>1</sup> .....        | 2                | 1                | 1                               | ( <sup>2</sup> )               | 4                       |
| Mandated benefits <sup>3</sup> .....    | -                | -                | 17                              | -                              | 2                       |
| Employer association <sup>4</sup> ..... | ( <sup>2</sup> ) | ( <sup>2</sup> ) | -                               | -                              | -                       |
| <b>Professional and administrative</b>  |                  |                  |                                 |                                |                         |
| Total .....                             | 100              | 100              | 100                             | 100                            | 100                     |
| Single employer .....                   | 100              | 100              | 71                              | 100                            | 99                      |
| Multiemployer <sup>1</sup> .....        | ( <sup>2</sup> ) | -                | -                               | ( <sup>2</sup> )               | 1                       |
| Mandated benefits <sup>3</sup> .....    | -                | -                | 29                              | -                              | ( <sup>2</sup> )        |
| Employer association <sup>4</sup> ..... | ( <sup>2</sup> ) | ( <sup>2</sup> ) | -                               | -                              | -                       |
| <b>Technical and clerical</b>           |                  |                  |                                 |                                |                         |
| Total .....                             | 100              | 100              | 100                             | 100                            | 100                     |
| Single employer .....                   | 99               | 99               | 75                              | 100                            | 98                      |
| Multiemployer <sup>1</sup> .....        | ( <sup>2</sup> ) | ( <sup>2</sup> ) | ( <sup>2</sup> )                | ( <sup>2</sup> )               | 1                       |
| Mandated benefits <sup>3</sup> .....    | -                | -                | 25                              | -                              | 1                       |
| Employer association <sup>4</sup> ..... | 1                | 1                | -                               | -                              | -                       |
| <b>Production and service</b>           |                  |                  |                                 |                                |                         |
| Total .....                             | 100              | 100              | 100                             | 100                            | 100                     |
| Single employer .....                   | 97               | 98               | 87                              | 100                            | 89                      |
| Multiemployer <sup>1</sup> .....        | 3                | 2                | 2                               | ( <sup>2</sup> )               | 8                       |
| Mandated benefits <sup>3</sup> .....    | -                | -                | 11                              | -                              | 3                       |
| Employer association <sup>4</sup> ..... | ( <sup>2</sup> ) | ( <sup>2</sup> ) | -                               | -                              | -                       |

<sup>1</sup> Individual employers in the same or in a related industry contributing a negotiated amount to a trust fund providing benefits for employees covered under a collective bargaining agreement.

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

<sup>3</sup> The majority of the participants with mandated sickness and accident insurance benefits were covered by State temporary disability insurance plans. The remaining employees were covered by the Railroad Unemployment Insurance Act. Mandated defined benefit pension plan par-

icipants were covered by Railroad Retirement Tier 2.

<sup>4</sup> Band of small employers in a common trade or business, for example, savings and loan associations. The plan sponsored by the association is not negotiated with the employees.

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

**Table 113. Plan financing: Percent of full-time participants in selected employee benefit programs by source of financing, medium and large firms, 1989**

|  | 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                              | 79                             | 53                        | 34                      | 52                       | 37                     | 87             | 96                      |
| Partly employer financed .....         | 17                              | 21                             | 47                        | 66                      | 48                       | 63                     | 13             | 4                       |
| <b>Professional and administrative</b> |                                 |                                |                           |                         |                          |                        |                |                         |
| Total .....                            | 100                             | 100                            | 100                       | 100                     | 100                      | 100                    | 100            | 100                     |
| Wholly employer financed ....          | 75                              | 77                             | 49                        | 30                      | 46                       | 33                     | 86             | 95                      |
| Partly employer financed .....         | 25                              | 23                             | 51                        | 70                      | 54                       | 67                     | 14             | 5                       |
| <b>Technical and clerical</b>          |                                 |                                |                           |                         |                          |                        |                |                         |
| Total .....                            | 100                             | 100                            | 100                       | 100                     | 100                      | 100                    | 100            | 100                     |
| Wholly employer financed ....          | 76                              | 75                             | 45                        | 27                      | 46                       | 31                     | 86             | 97                      |
| Partly employer financed .....         | 24                              | 25                             | 55                        | 73                      | 54                       | 69                     | 14             | 3                       |
| <b>Production and service</b>          |                                 |                                |                           |                         |                          |                        |                |                         |
| Total .....                            | 100                             | 100                            | 100                       | 100                     | 100                      | 100                    | 100            | 100                     |
| Wholly employer financed ....          | 87                              | 87                             | 58                        | 41                      | 59                       | 43                     | 88             | 95                      |
| Partly employer financed .....         | 13                              | 13                             | 42                        | 59                      | 41                       | 57                     | 12             | 5                       |

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

**Table 114. Flexible benefits plans and reimbursement accounts:<sup>1</sup> Percent of full-time employees eligible, medium and large firms, 1989**

| Coverage   | All employees | Professional and administrative employees | Technical and clerical employees | Production and service employees |
|--|---------------|---|----------------------------------|----------------------------------|
| Total .....  | 100           | 100                                       | 100                              | 100                              |
| Eligible for flexible benefits and/or reimbursement accounts ..... | 24            | 38  | 33                               | 11                               |
| Flexible benefits .....  | 9             | 14  | 15                               | 3                                |
| With reimbursement accounts  | 8             | 12  | 14                               | 2                                |
| Reimbursement accounts .....                                       | 23            | 36  | 31                               | 11                               |
| Freestanding reimbursement accounts .....                          | 15            | 24  | 17                               | 8                                |
| Not eligible for flexible benefits or reimbursement accounts ..... | 76            | 62  | 67                               | 89                               |

<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.

NOTE: Sums of individual items do not equal totals because some employees were eligible for both flexible benefits plans and reimbursement accounts. Where applicable, dash indicates no employees in this category.

**Table 115. Reimbursement accounts: Percent of eligible full-time employees by expenses covered, medium and large firms, 1989**

| Expense   | All eligible employees | Professional and administrative employees | Technical and clerical employees | Production and service employees |
|---|------------------------|---|----------------------------------|----------------------------------|
| Health care premiums .....                                  | 40                     | 40  | 38                               | 42                               |
| Health care deductibles and coinsurances <sup>1</sup> ..... | 79                     | 81  | 85                               | 66                               |
| Other health care expenses <sup>2</sup> .....               | 78                     | 81  | 85                               | 64                               |
| Other benefit plan premiums <sup>3</sup> .....              | 17                     | 16  | 14                               | 22                               |
| Child care expenses <sup>4</sup> .....                      | 87                     | 89  | 89                               | 82                               |
| Legal expenses .....  | 3                      | 4   | 4                                | 1                                |

<sup>1</sup> A deductible is a dollar amount that must be paid by a health care plan participant before the plan will begin paying benefits. A coinsurance is a percent of expenses that must be borne by the plan participant.

<sup>2</sup> Includes items not covered by a health care plan, such as hearing examinations or eyeglasses.

<sup>3</sup> The most common benefit plan premiums included were for life and long-term disability insurance.

<sup>4</sup> Most accounts reimbursed expenses for all dependent care, including care for elderly or disabled adults.

NOTE: 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 covers private sector establishments<sup>1</sup> in the United States, excluding Alaska and Hawaii, employing at least 100 workers. Industrial coverage includes: Mining; construction; manufacturing; transportation, communications, electric, gas, and sanitary services; wholesale trade; retail trade; finance, insurance, and real estate; and services.

Establishments meeting the minimum size criterion as of the reference date of the sampling frame are included in the survey, even if they employed fewer workers at the time of data collection. Establishments found to be outside the industrial scope of the survey at the time of data collection are excluded.

The industrial coverage and minimum establishment size for this survey are the same as for the 1988 survey but differ from the private sector surveys conducted annually from 1979 to 1986. The previous surveys excluded most of the service industries and included establishments which employed at least 50, 100, or 250 workers, depending on the industry.

Table A-1 shows the estimated number of establishments and employees within the scope of the survey and the number within the sample actually studied for each major industry division.

## Occupational groups

Data were collected individually for the following three broad occupational groups:

*Professional-administrative.* Includes occupations that require a foundation of knowledge in the theories, concepts, principles, and practices of a broad field of science, learning, administration, or management acquired through a college-level education or the equivalent in progressively responsible experience. Above entry levels, the exercise of a high degree of creativity, originality, analytical ability, and independent judgment to solve varied and complex problems in the field of work is characteristic.

*Technical-clerical.* Includes office and sales clerical, technical support, protective services, and other such occupa-

<sup>1</sup> For this survey, a plan had to allow choices among two types of benefits or more to be classified as a flexible benefits plan. Thus, plans that permitted a selection in only one benefit (for example, a choice among several health care options or plans) were not classified as flexible benefits plans.

tions that do not require full knowledge of a professional or administrative field of work or the application of a high level of creativity, originality, analytical ability, or independent judgment. Job performance skills are typically acquired through on-the-job experience and/or specific training which is less than that usually represented by a baccalaureate degree. These skills include the application of a practical knowledge of established procedures, practices, precedents, and guidelines.

*Production-service.* Includes skilled, semiskilled, and unskilled trades; craft and production occupations; manual labor occupations; custodial occupations; and operatives.

Excluded from the survey are executive employees (defined as those whose decisions have direct and substantial effects on an organization's policymaking); part-time, temporary, and seasonal employees; and operating employees in constant travel status, such as airline flight crews and long-distance truckdrivers.

## Benefit areas

Sampled establishments were requested to provide data 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, health care, life insurance, retirement and capital accumulation plans, flexible benefits plans, and reimbursement accounts.

Data were also collected on the incidence of the following other 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, educational assistance, and employee assistance programs.

## Sampling frame

The list of establishments from which the sample was selected (called the sampling frame) was developed by refining data from the most recently available State unemployment insurance (UI) reports for the 48 States covered

by the survey and the District of Columbia. The reference date of the available UI reports was generally March 1987. The refinement procedures included an effort to ensure that most sampling frame units corresponded to the definition of an establishment developed for this survey. (Establishments in the manufacturing industries were not refined because of limited resources. A small number of additional sampling frame units were not refined to correspond to the definition of an establishment because of limited reporting ability of companies.)

### Sampling design

The sample of 1,970 establishments<sup>2</sup> was selected by first stratifying the sampling frame by industry group and establishment size group based on the total employment in the establishment. The industry groups consisted of two-digit Standard Industrial Classification Major Groups, as defined by the Office of Management and Budget.

The number of sample establishments allocated to each stratum (defined by industry and size) 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.

Each sampled establishment was selected with a probability approximately proportional to the average establishment employment of its stratum. For example, consider two strata: A and B, with respective average establishment employment of 5,000 and 1,000. An establishment in stratum A is five times more likely to be selected than an establishment in stratum B.

A sample was then selected within each stratum using a probability technique to maximize the probability of retaining the establishments selected in the 1988 survey.<sup>3</sup> This method of selection reduced collection costs by decreasing the number of new establishments in the sample.

### 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 and dental care, and insurance benefits. 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.

<sup>2</sup> The number of sample units selected in this survey is determined by resources, operational constraints, and knowledge of the sampling errors of estimates in previous years' surveys.

<sup>3</sup> This method modifies the method introduced by Nathan Keyfitz in "Sampling with Probabilities Proportional to Size: Adjusting for Changes in the Probabilities," *Journal of the American Statistical Association*, 1951, No. 46, pp. 105-9.

Data were collected primarily during the months of January through July, reflecting an average reference period of April 1989. Respondents were asked for information as of the time of the data collection visit.

### Data tabulation

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 and dental care, insurance, retirement, or capital accumulation plans; or were eligible for flexible benefits plans, reimbursement accounts, or other selected benefits. Except in tables 2, 114, and 115, 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. Percentages are calculated in three ways. One technique, followed in tables 1, 3-5, 7, 9, 12-16, 18, 20, 21, 98, and 99, shows the number of covered workers as a percent of all workers within the scope of the survey; tables 2 and 114 show the number of eligible workers as a percent of all workers.

A second approach is followed in tables 8, 10, 11, 17, 26, 28, 29, 32-38, 52, 53, 58, 68, 76, 100, 112, and 113. 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 care, dental care, insurance, retirement, or capital accumulation plan; for example, what percent of all employees with medical care receive prescription drug coverage?

The third approach provides a close look at an important plan feature (tables 27, 30, 31, 39-51, 54-56, 59-67, 69-70, 72-75, 77-84, 86-88, 90-91, 93-97, 102-105, 107-111, and 115), for example, what percent of all employees with accidental death and dismemberment benefits have coverage equal to their life insurance benefits? Tables 25, 89, 92, 101, and 106, 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 paying for eyeglasses, multiply the percent of those with vision plans that cover eyeglasses (68 percent from table 54) by the percent of medical care participants with vision care coverage (35 percent from table 37), and multiply that product by the percent of all employees who have medical care coverage (92 percent from

table 1). In this example, 22 percent of employees are in plans that pay for eyeglasses (.68 X .35 X .92).

Tables 6, 19, 22-24, 57, 71, and 85 differ from other tables because they display average benefit values rather than percentages 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:

|  | <i>Number of establishments</i> |
|--|---------------------------------|
| In sample .....                        | 1,970                           |
| Out of business and out of scope ..... | 28                              |
| Refusing to respond .....              | 291                             |
| Nonresponse other than refusal .....   | 4                               |
| Responding fully or partially .....    | 1,647                           |

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 (from 2 to 8 percent of participants in medical and dental care, insurance, and retirement and capital accumulation plans and less than 1 percent of participants in paid leave plans.) Each of these participant values is imputed by randomly selecting a similar plan from another establishment in a similar industry, geographic region, and establishment size. The participant rate from this randomly selected plan is then used to approximate the number of participants for the plan which is missing a participation value in an establishment which has provided only a portion of the data requested.

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, geographic region, and establishment size. The plan provisions from this randomly selected plan are then used to represent the plan which is missing plan provision data. (This was done for about 3 percent of participants in sickness and accident insurance plans, 20 percent of medical and dental participants, 30 percent of long-term disability insurance participants, 35 percent of retirement and capital accumulation plan participants, and 40 percent of life insurance plan participants. Imputations were done for less than 1 percent of the participants in paid 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 which are homogeneous with respect to the characteristics of interest. In most cases, these cells are the same as those used for sample selection.

### Survey estimation methods

The survey design uses an unbiased estimator, the Horvitz-Thompson, which assigns the inverse of each sample unit's probability of selection as a weight to the unit's data. The estimator is modified to account for a weight adjustment factor developed during the adjustment for nonresponse. The general form of the estimator for a population total is:

$$Y = \sum_{i=1}^n \frac{Y_i}{P_i}$$

where  $n$  = sample size

$Y_i$  = value for the characteristics of the  $i^{\text{th}}$  unit

$P_i$  = the probability of including the  $i^{\text{th}}$  unit in the sample.

The basic form of the estimator, after modification to account for the weight adjustment factor,  $f_i$ , developed during the adjustment for nonresponse, is:

$$Y = \sum_{i=1}^{n'} \frac{f_i Y_i}{P_i}$$

where  $n'$  = number of responding units

$f_i$  = weight adjustment factor for the  $i^{\text{th}}$  unit.

Appropriate employment or establishment totals are used to calculate the proportion, mean, or percentage that is desired.

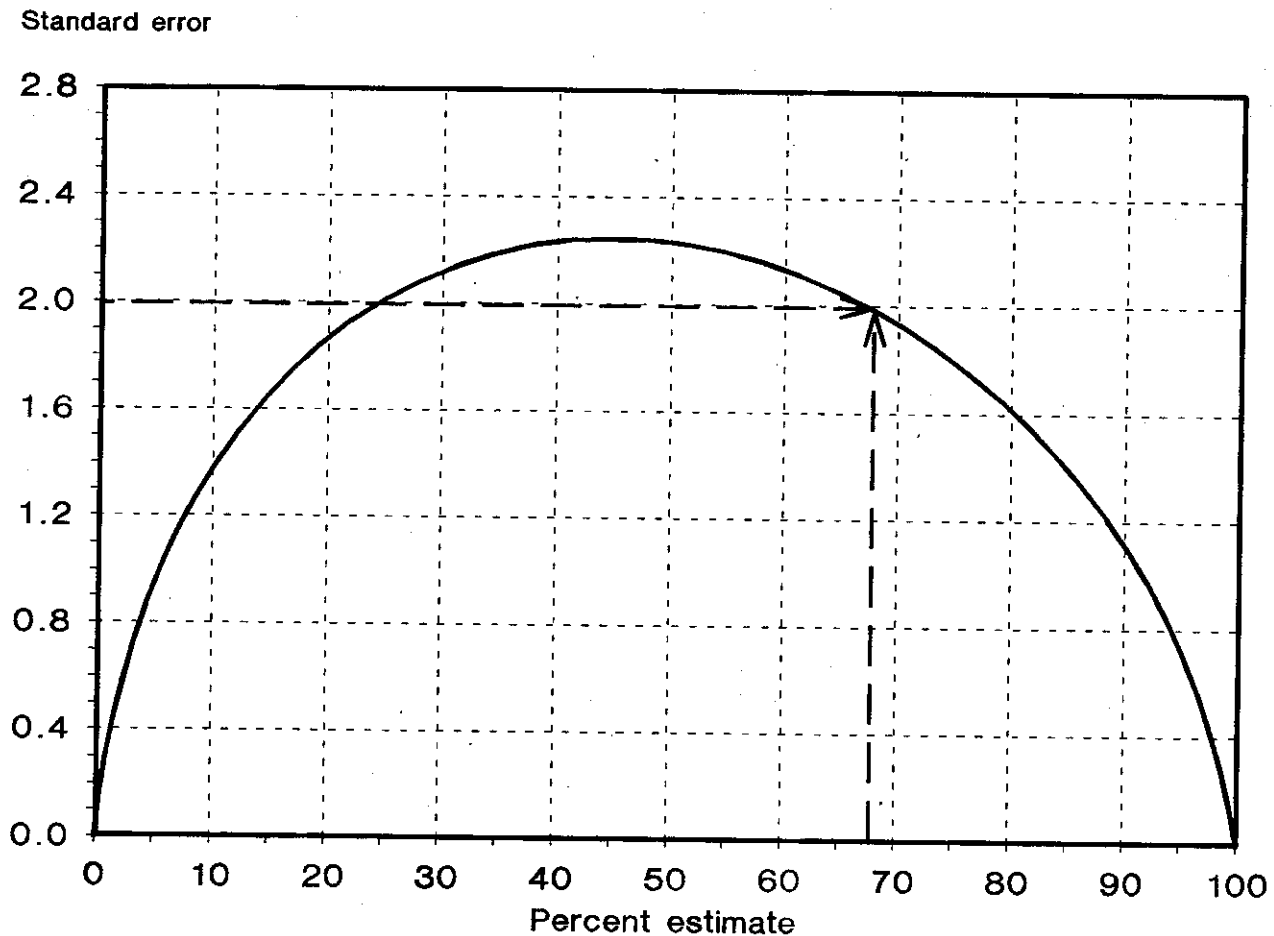
### Reliability of estimates

The statistics in this bulletin are estimates derived from a sample of 1,647 responding establishments, rather than tabulations based on all of the approximately 109,900 medium and large establishments within the 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 computed from observations of all units in the population being studied. When probability techniques are used to select a sample, as in the Employee Benefits Survey, statistical measures called "standard errors" can be calculated to measure possible sampling errors.

This evaluation of survey results involves 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 percentage, was made from each sample. Then, the intervals described by one standard error below each sample's estimate and one standard error above would include the population's value for 68 percent of the samples. Confidence rises to 90 percent if the intervals surrounding the sample estimates are

Chart A-1 Generalized standard errors, medium and large firms, 1989



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.

Chart A-1 provides standard errors for use in evaluating the estimates in the 107 tables shown in chapters 1-8 of this bulletin containing percentage estimates. For example, table 1 shows that 68 percent of all employees participated in sick leave plans in 1989. Chart A-1 shows a standard error of approximately 2.0 percent for this estimate. Thus, at the 95-percent level, the confidence interval for this estimate is 64 percent to 72 percent (68 plus and minus 2 times 2.0 percent).

Standard errors for tables 6, 22-24, and 57 could not be generalized into graphic representation. They are presented as tables A-2, A-3, A-4, A-5, and A-6. For example, the first entry in table 22 shows an average of 12.5 days of annual sick leave at 6 months of service. The standard error for this estimate is 1.1 days.

Standard errors cannot be computed for the replacement rates shown in tables 19, 71, and 85. The rates shown in these tables are projections based on models of the plan provisions.

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.

For those readers interested in further mathematical details, the next section describes how chart A-1 was derived from 1989 survey data.

#### Mathematical details on estimates and generalized standard errors chart

Each estimator used in the production of the tables in this bulletin is approximately normally distributed.



Standard errors for the percentage estimates were computed from a representative portion of the 1989 survey data. To simplify their presentation, a curve was fitted to the standard error estimates, by regression techniques (chart A-1).

The curve's equation is:

$$S = e^{[a + b (\ln(P))^2 + c \{\ln(100-P)\}^2 + d \ln(P) \ln (100-P)]}$$

where:

- S = standard error
- P = percentage estimate from the bulletin
- e = exponential function
- ln = natural logarithm function.

For the 1989 Employee Benefits Survey,

$$a = -0.41325, b = -0.04720, c = -0.03323, \text{ and} \\ d = 0.15986.$$

These are regression coefficients. The curve fits the data with  $R^2 = 0.82$  and no pattern in the residuals. Moreover, differences between this curve and curves based on previous years survey data are primarily due to the differences in sample size.

The equation of the curve was obtained empirically, by starting with the equation:

$$S = a P^b (100 - P)^c.$$

**A-1. Estimated number of establishments and workers within scope of survey and number studied, medium and large firms, United States,<sup>1</sup> 1989**

| Industry division <sup>2</sup>  | Number of establishments | Number of workers in establishments |                                 |                        |                        |
|---|--------------------------|-------------------------------------|---------------------------------|------------------------|------------------------|
|   |                          | Total <sup>3</sup>                  | Professional and administrative | Technical and clerical | Production and service |
| Within scope of survey  |                          |                                     |                                 |                        |                        |
| All industries .....  | 109,929                  | 40,530,163                          | 9,030,826                       | 7,950,032              | 15,446,747             |
| Manufacturing .....   | 35,201                   | 14,128,935                          | 3,060,859                       | 1,839,780              | 8,838,553              |
| Nonmanufacturing .....  | 74,727                   | 26,401,228                          | 5,969,967                       | 6,110,252              | 6,608,194              |
| Mining .....  | 1,284                    | 352,900                             | 114,621                         | 78,003                 | 155,760                |
| Construction .....  | 3,201                    | 667,144                             | 106,616                         | 67,721                 | 407,012                |
| Transportation, communications,<br>electric, gas, and sanitary services | 5,051                    | 3,319,779                           | 773,990                         | 784,583                | 1,327,142              |
| Wholesale trade .....   | 5,819                    | 1,395,106                           | 402,674                         | 296,476                | 661,467                |
| Retail trade .....  | 19,468                   | 6,876,880                           | 576,611                         | 753,454                | 2,034,467              |
| Finance, insurance, and real estate                                     | 9,679                    | 3,661,099                           | 1,301,180                       | 1,872,763              | 109,829                |
| Services .....  | 30,225                   | 10,128,320                          | 2,694,275                       | 2,257,251              | 1,912,516              |
| Studied <sup>4</sup>  |                          |                                     |                                 |                        |                        |
| All industries .....  | 1,647                    | 6,551,182                           | 2,004,572                       | 1,506,025              | 2,148,621              |
| Manufacturing .....   | 522                      | 2,378,068                           | 766,593                         | 351,066                | 1,225,080              |
| Nonmanufacturing .....  | 1,125                    | 4,173,114                           | 1,237,979                       | 1,154,959              | 923,541                |
| Mining .....  | 15                       | 22,550                              | 9,557                           | 5,867                  | 6,654                  |
| Construction .....  | 28                       | 24,624                              | 4,581                           | 3,041                  | 14,594                 |
| Transportation, communications,<br>electric, gas, and sanitary services | 152                      | 1,528,896                           | 365,889                         | 391,564                | 567,486                |
| Wholesale trade .....   | 31                       | 131,497                             | 75,561                          | 44,218                 | 10,674                 |
| Retail trade .....  | 107                      | 505,230                             | 52,806                          | 93,085                 | 98,829                 |
| Finance, insurance, and real estate                                     | 180                      | 639,389                             | 277,651                         | 306,952                | 9,041                  |
| Services .....  | 612                      | 1,320,928                           | 451,934                         | 310,232                | 216,263                |

<sup>1</sup> Excludes Alaska and Hawaii and establishments with fewer than 100 workers.

<sup>2</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>3</sup> This figure includes out-of-scope workers. These workers—executive management, part time, temporary, seasonal, and operating person-

nel in constant travel status (e.g., airline pilots)—are excluded from the counts of employment by occupational group.

<sup>4</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.

**Table A-2. Standard errors for table 6 -- Paid holidays and vacations: Average number of days for full-time participants, medium and large firms, 1989**

| Item                                | All participants | Professional and administrative participants | Technical and clerical participants | Production and service participants |
|-------------------------------------|------------------|--|-------------------------------------|-------------------------------------|
| Paid holidays .....                 | 0.09             | 0.06   | 0.12                                | 0.13                                |
| Paid vacation by length of service: |                  |  |                                     |                                     |
| At 6 months .....                   | .09              | .09  | .11                                 | .16                                 |
| At 1 year .....                     | .13              | .14  | .16                                 | .14                                 |
| At 3 years .....                    | .08              | .14  | .12                                 | .06                                 |
| At 5 years .....                    | .11              | .12  | .20                                 | .10                                 |
| At 10 years .....                   | .12              | .11  | .19                                 | .12                                 |
| At 15 years .....                   | .14              | .16  | .19                                 | .17                                 |
| At 20 years .....                   | .16              | .17  | .22                                 | .20                                 |
| At 25 years .....                   | .19              | .20  | .26                                 | .21                                 |
| At 30 years .....                   | .20              | .21  | .30                                 | .24                                 |

**Table A-3. Standard errors for table 22 -- Paid sick leave: Average number of days at full pay for full-time participants by type of plan, medium and large firms, 1989**

| Item   | All participants | Professional and administrative participants | Technical and clerical participants | Production and service participants |
|--|------------------|--|-------------------------------------|-------------------------------------|
| Paid annual sick leave by length of service:         |                  |  |                                     |                                     |
| At 6 months .....                                    | 1.1              | 1.3  | 1.2                                 | 0.8                                 |
| At 1 year .....                                      | 1.1              | 1.4  | 1.2                                 | .8                                  |
| At 3 years .....                                     | 1.1              | 1.4  | 1.2                                 | .9                                  |
| At 5 years .....                                     | 1.2              | 1.4  | 1.3                                 | 1.2                                 |
| At 10 years .....                                    | 1.4              | 1.7  | 1.4                                 | 1.6                                 |
| At 15 years .....                                    | 1.5              | 1.7  | 1.6                                 | 1.7                                 |
| At 20 years .....                                    | 1.5              | 1.8  | 1.7                                 | 1.8                                 |
| At 25 years .....                                    | 1.6              | 1.8  | 1.7                                 | 1.8                                 |
| At 30 years .....                                    | 1.6              | 1.8  | 1.7                                 | 1.8                                 |
| Paid per disability sick leave by length of service: |                  |  |                                     |                                     |
| At 6 months .....                                    | 4.9              | 5.1  | 4.7                                 | 6.2                                 |
| At 1 year .....                                      | 3.6              | 4.1  | 3.5                                 | 5.8                                 |
| At 3 years .....                                     | 3.3              | 3.6  | 3.4                                 | 5.1                                 |
| At 5 years .....                                     | 3.3              | 3.5  | 3.5                                 | 5.2                                 |
| At 10 years .....                                    | 3.2              | 3.5  | 3.7                                 | 4.7                                 |
| At 15 years .....                                    | 3.3              | 3.3  | 4.2                                 | 4.3                                 |
| At 20 years .....                                    | 3.6              | 3.4  | 4.8                                 | 5.5                                 |
| At 25 years .....                                    | 4.1              | 3.5  | 5.6                                 | 7.7                                 |
| At 30 years .....                                    | 4.1              | 3.5  | 5.5                                 | 7.7                                 |

**Table A-4. Standard errors for table 23 -- Paid annual sick leave: Average number of days at full pay for full-time participants by accumulation policy and sickness and accident insurance coordination, medium and large firms, 1989**

| Item  | All participants | Professional and administrative participants | Technical and clerical participants | Production and service participants | Item  | All participants | Professional and administrative participants | Technical and clerical participants | Production and service participants |
|---|------------------|--|-------------------------------------|-------------------------------------|---|------------------|--|-------------------------------------|-------------------------------------|
| <b>At 1 year of service:</b>                  |                  |  |                                     |                                     | <b>At 15 years of service:</b>                |                  |  |                                     |                                     |
| Cumulative plan .....                         | 0.3              | 0.2  | 0.4                                 | 0.4                                 | Cumulative plan .....                         | 1.1              | 1.2  | 0.9                                 | 1.7                                 |
| With sickness and accident insurance .....    | .3               | .2   | .3                                  | .6                                  | With sickness and accident insurance .....    | 1.0              | 1.4  | 1.1                                 | 1.2                                 |
| Without sickness and accident insurance ..... | .4               | .3   | .5                                  | .4                                  | Without sickness and accident insurance ..... | 1.5              | 1.6  | 1.1                                 | 2.7                                 |
| Noncumulative plan .....                      | 1.9              | 2.4  | 2.2                                 | 1.4                                 | Noncumulative plan .....                      | 2.4              | 3.0  | 3.1                                 | 2.2                                 |
| With sickness and accident insurance .....    | .6               | .7   | .6                                  | .5                                  | With sickness and accident insurance .....    | 2.9              | 4.4  | 2.5                                 | 1.2                                 |
| Without sickness and accident insurance ..... | 2.3              | 2.8  | 2.4                                 | 2.2                                 | Without sickness and accident insurance ..... | 3.2              | 3.8  | 3.9                                 | 4.5                                 |
| <b>At 5 years of service:</b>                 |                  |  |                                     |                                     | <b>At 20 years of service:</b>                |                  |  |                                     |                                     |
| Cumulative plan .....                         | .5               | .5   | .4                                  | .8                                  | Cumulative plan .....                         | 1.1              | 1.2  | 1.0                                 | 1.7                                 |
| With sickness and accident insurance .....    | .7               | .8   | .7                                  | .9                                  | With sickness and accident insurance .....    | 1.1              | 1.5  | 1.2                                 | 1.3                                 |
| Without sickness and accident insurance ..... | .7               | .7   | .5                                  | 1.2                                 | Without sickness and accident insurance ..... | 1.5              | 1.6  | 1.2                                 | 2.7                                 |
| Noncumulative plan .....                      | 2.0              | 2.4  | 2.4                                 | 1.9                                 | Noncumulative plan .....                      | 2.5              | 3.1  | 3.2                                 | 2.4                                 |
| With sickness and accident insurance .....    | 1.6              | 2.6  | 1.6                                 | .7                                  | With sickness and accident insurance .....    | 3.4              | 5.1  | 2.8                                 | 1.4                                 |
| Without sickness and accident insurance ..... | 2.7              | 3.1  | 2.8                                 | 3.7                                 | Without sickness and accident insurance ..... | 3.3              | 4.0  | 4.0                                 | 4.7                                 |
| <b>At 10 years of service:</b>                |                  |  |                                     |                                     | <b>At 25 years of service:</b>                |                  |  |                                     |                                     |
| Cumulative plan .....                         | 1.0              | 1.1  | .9                                  | 1.6                                 | Cumulative plan .....                         | 1.1              | 1.2  | 1.0                                 | 1.7                                 |
| With sickness and accident insurance .....    | 1.0              | 1.3  | 1.3                                 | 1.2                                 | With sickness and accident insurance .....    | 1.2              | 1.6  | 1.2                                 | 1.3                                 |
| Without sickness and accident insurance ..... | 1.3              | 1.4  | 1.1                                 | 2.4                                 | Without sickness and accident insurance ..... | 1.5              | 1.6  | 1.2                                 | 2.7                                 |
| Noncumulative plan .....                      | 2.3              | 3.0  | 2.9                                 | 2.1                                 | Noncumulative plan .....                      | 2.6              | 3.1  | 3.3                                 | 2.6                                 |
| With sickness and accident insurance .....    | 2.6              | 3.8  | 2.2                                 | 1.0                                 | With sickness and accident insurance .....    | 3.6              | 5.5  | 3.1                                 | 1.6                                 |
| Without sickness and accident insurance ..... | 3.2              | 3.7  | 3.6                                 | 4.3                                 | Without sickness and accident insurance ..... | 3.4              | 4.1  | 4.1                                 | 4.9                                 |

**Table A-5. Standard errors for table 24 -- Paid annual sick leave: Average number of days at full pay for full-time participants by sickness and accident insurance coordination, medium and large firms, 1989**

| Item  | All participants | Professional and administrative participants | Technical and clerical participants | Production and service participants |
|---|------------------|--|-------------------------------------|-------------------------------------|
| <b>At 1 year of service:</b>                |                  |  |                                     |                                     |
| With sickness and accident insurance ...    | 0.3              | 0.4  | 0.3                                 | 0.4                                 |
| Without sickness and accident insurance ... | 1.5              | 1.9  | 1.5                                 | 1.2                                 |
| <b>At 5 years of service:</b>               |                  |  |                                     |                                     |
| With sickness and accident insurance ...    | .7               | 1.5  | .8                                  | .6                                  |
| Without sickness and accident insurance ... | 1.5              | 2.1  | 1.5                                 | 1.9                                 |
| <b>At 10 years of service:</b>              |                  |  |                                     |                                     |
| With sickness and accident insurance ...    | 1.1              | 2.3  | 1.1                                 | .9                                  |
| Without sickness and accident insurance ... | 1.8              | 2.5  | 1.8                                 | 2.7                                 |
| <b>At 15 years of service:</b>              |                  |  |                                     |                                     |
| With sickness and accident insurance ...    | 1.3              | 2.7  | 1.2                                 | 1.0                                 |
| Without sickness and accident insurance ... | 1.9              | 2.5  | 1.9                                 | 3.0                                 |
| <b>At 20 years of service:</b>              |                  |  |                                     |                                     |
| With sickness and accident insurance ...    | 1.5              | 3.1  | 1.3                                 | 1.1                                 |
| Without sickness and accident insurance ... | 2.0              | 2.6  | 2.0                                 | 3.1                                 |
| <b>At 25 years of service:</b>              |                  |  |                                     |                                     |
| With sickness and accident insurance ...    | 1.7              | 3.3  | 1.4                                 | 1.3                                 |
| Without sickness and accident insurance ... | 2.1              | 2.6  | 2.1                                 | 3.2                                 |

**Table A-6. Standard errors for table 57-- Medical care benefits: Average monthly contribution of full-time participants in contributory plans, medium and large firms, 1989**

| Type of coverage                            | All participants | Professional and administrative participants | Technical and clerical participants | Production and service participants |
|---|------------------|--|-------------------------------------|-------------------------------------|
| <b>All plans</b>                            |                  |  |                                     |                                     |
| Employee coverage .....                     | \$1.83           | \$0.96                                       | \$2.10                              | \$2.19                              |
| Family coverage .....                       | 2.78             | 2.95   | 3.72                                | 3.40                                |
| <b>Health maintenance organizations</b>     |                  |  |                                     |                                     |
| Employee coverage .....                     | 1.68             | 1.08   | 2.06                                | 2.04                                |
| Family coverage .....                       | 4.85             | 3.53   | 5.76                                | 6.08                                |
| <b>Non-health maintenance organizations</b> |                  |  |                                     |                                     |
| Employee coverage .....                     | 2.08             | 1.15   | 2.23                                | 2.51                                |
| Family coverage .....                       | 2.84             | 3.55   | 4.00                                | 3.49                                |

## 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 medium and large private firms; results of additional research appear as occasional articles in the *Monthly Labor Review*. However, 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 during the annual survey can purchase a set of magnetic tapes containing the survey's data base through the Office of Compensation and Working Conditions, Bureau of Labor Statistics, Washington, D.C. 20212. 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 (professional and administrative, technical and clerical, and production and service). Information on employer costs was not collected. 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 individual industries, 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 benefits: Medical and dental care; life insurance; sickness and accident insurance; long-term disability insurance; retirement and capital accumulation plans; and 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.) Combined tapes are also available that contain data for all benefits surveyed. (Table 2 presents all of the information collected on the other surveyed benefits.) 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 and dental care, 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 and dental care, insurance, retirement, and capital accumulation plans is extremely detailed. The following list of medical and dental care plan provisions included in the data base gives an indication of

the breadth and depth of the information available on the magnetic tapes. Coverage of other benefits is similarly detailed.

**Medical and dental care data base:**

- Plan participation requirements
- Employee monthly contribution for employee and family benefits
  - Pretax status of contributions
- Fee arrangement and funding media
  - Medical coverage
  - Dental benefits
  - Vision benefits
- Administration
  - Preexisting conditions
  - Difference in benefits provided for employee and spouse
- Effect of layoff and retirement
  - Retired employees benefit coverage
  - Laid-off employees benefit coverage
- Hospital coverage
  - Hospital room and board coverage
  - Hospital miscellaneous charges
- Extended care
  - 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
- Accidental bodily injury benefit
- Private duty nursing benefit
- Mental health care benefits
  - In-hospital room and board charges
  - In-hospital physician charges
  - Coverage for mental or psychiatric hospital
  - Outpatient mental health care
- Substance abuse benefits
  - In-hospital rehabilitative care

- In-hospital detoxification 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
  - Long-term nursing care
- Cost containment features
- 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

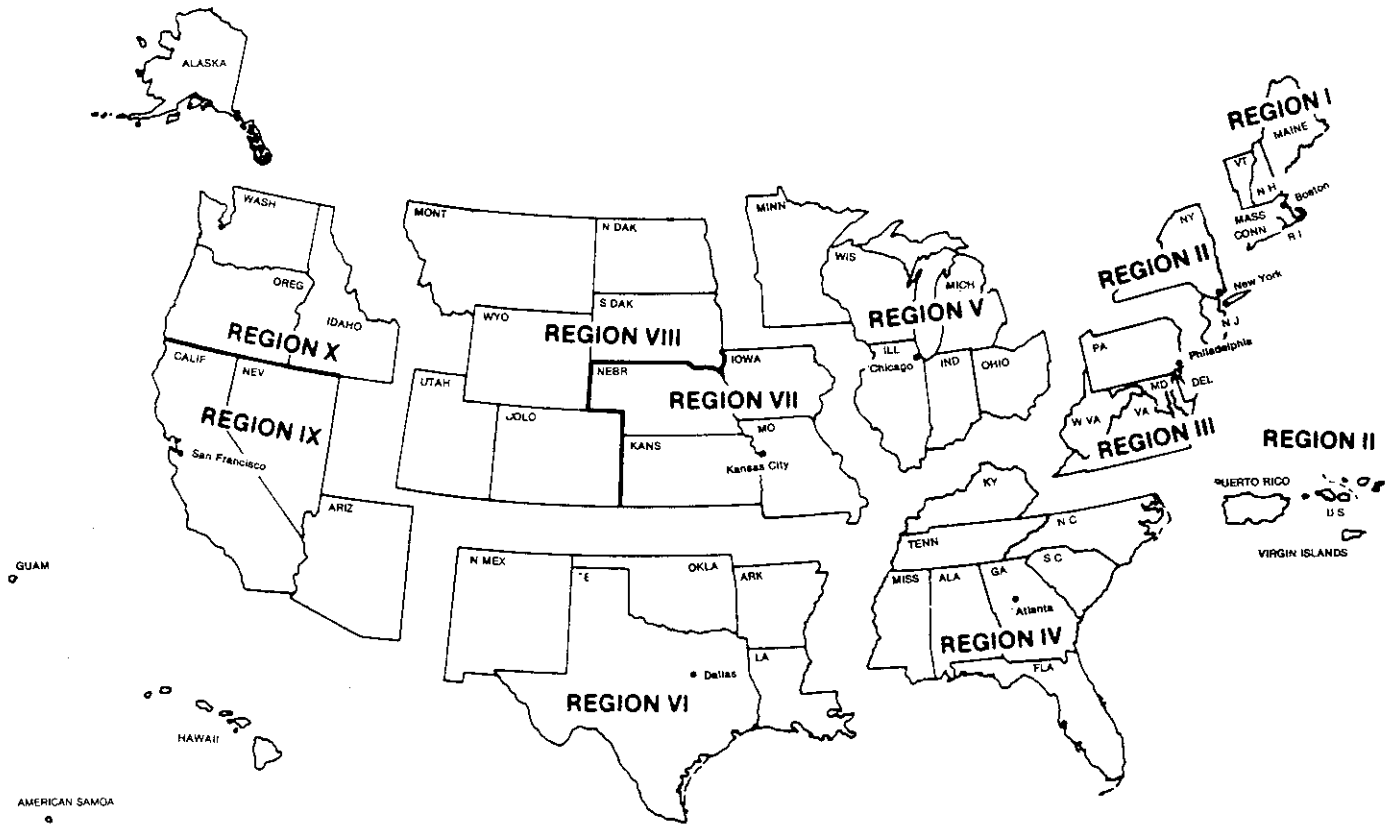
**Prescription drug benefits**

- 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 manual. Three sets of data on overall limitations are available for plans that include multiple overall limits.

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### Region IV

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Atlanta, GA 30367  
Phone: (404) 347-4416

### Regions VII and VIII

911 Walnut Street  
Kansas City, MO 64106  
Phone: (816) 426-2481

### Region II

Room 808  
201 Varick Street  
New York, NY 10014  
Phone: (212) 337-2400

### Region V

9th Floor  
Federal Office Building  
230 S. Dearborn Street  
Chicago, IL 60604  
Phone: (312) 353-1880

### Regions IX and X

71 Stevenson Street  
P.O. Box 193766  
San Francisco, CA 94119  
Phone: (415) 744-6600

### Region III

3535 Market Street  
P.O. Box 13309  
Philadelphia, PA 19101  
Phone: (215) 596-1154

### Region VI

Federal Building  
525 Griffin Street, Room 221  
Dallas, TX 75202  
Phone: (214) 767-6970



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