

Employee Benefits in Small Private Establishments, 1990



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Preface

This bulletin presents results of a 1990 Bureau of Labor Statistics survey of the incidence and detailed provisions of selected employee benefit plans in small private establishments. It is the Bureau's first survey of benefits in small establishments and provides representative data for 40.8 million 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 1990 Employee Benefits Survey reports on benefits provided to employees in establishments with fewer than 100 workers in all private nonfarm industries. The publication of these data represents the last major step in a planned expansion of BLS employee benefits data. Between 1979 and 1986, the survey provided benefits data on full-time employees in medium and large establishments, those with either 100 or 250 employees or more, depending on the industry; coverage in the services industries was limited. The 1987 survey examined benefits provided to full-time employees in State and local governments with 50 employees or more. In 1988 and 1989, expanded surveys of medium and large establishments covered full-time employees in establishments employing 100 workers or more in all private industries.

Beginning with the data published in this bulletin, the Employee Benefits Survey will provide data on both full-time and part-time employees in all private industries and State and local governments. Later this year, data will be available from the 1990 survey of State and local government employees. The results of the 1991 survey of employees in medium and large private establishments will be published in 1992. In future years, small private establishments and State and local governments will be

surveyed in even-numbered years, and medium and large private establishments will be surveyed in odd-numbered years.

Data for this bulletin were compiled and analyzed in the Division of Occupational Pay and Employee Benefit Levels by Cathy Baker, Michael Bucci, Thomas Burke, Edward Coates, Jason Ford, Avy Graham, Douglas Hedger, Stephanie Hyland, Rita Jain, Natalie Kramer, Marc Kronson, Michael Miller, David Ott, Laura Scofea, Patrick Seburn, Margaret Simons, Cynthia Thompson, Jerline Thompson, and Arthur Williams, under the direction of Allan Blostin, James Houff, and John Morton. Text was prepared for publication by Mahin Besharat.

Computer programming and systems design were provided by David Caples, Mary Constable, Mohamed Elzein, Aholivah Maier, Cheryl Sims, and Edward Thomas of the Division of Directly Collected Periodic Surveys, under the direction of Leslie Chappel. Larry Huff, Thomas Kelly, and Ronald Lambrecht of the Statistical Methods Group (Office of Compensation and Working Conditions) were responsible for the sample design, nonresponse adjustments, sample error computations, and other statistical procedures, under the direction of Chester Ponikowski. Fieldwork for the survey was directed by the Bureau's Assistant Regional Commissioners for Operations.

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Pictured on the cover of this bulletin is *The Watchmaker* by Norman Rockwell (c) 1948, The Norman Rockwell Family Trust.

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THE HISTORY OF THE UNITED STATES OF AMERICA

The first part of the book deals with the early history of the United States, from the time of the first European settlers to the American Revolution. It covers the exploration of the continent, the establishment of the first colonies, and the struggle for independence from British rule. The second part of the book discusses the early years of the new nation, including the drafting of the Constitution and the early years of the Republic. The third part of the book covers the period of the American Civil War, from 1861 to 1865, and the Reconstruction era that followed. The fourth part of the book discusses the late 19th and early 20th centuries, including the Gilded Age, the Progressive Era, and the rise of the United States as a world power. The fifth part of the book covers the period from World War II to the present, including the Cold War, the Vietnam War, and the current political and social challenges facing the United States.

The book is written in a clear and concise style, making it accessible to a wide range of readers. It provides a comprehensive overview of the history of the United States, from its beginnings to the present day. The author uses a variety of sources to support his arguments, including primary documents, secondary sources, and statistical data. The book is well-organized and easy to read, with a clear focus on the key events and figures in American history. It is a valuable resource for anyone interested in the history of the United States.

Chapter 1. Incidence of Employee Benefit Plans

The 1990 Employee Benefits Survey covered establishments with fewer than 100 employees. These establishments had less extensive employee benefits coverage than the medium and large establishments (those with 100 workers or more) surveyed in 1989, as shown below:

Percent of employees participating in benefit plans

Benefit	Small establishments, 1990			Medium and large establishments, 1989
	Total	Full time	Part time	Full-time employees only
Paid holidays	72	84	28	97
Paid vacations	76	88	29	97
Unpaid maternity leave	14	17	4	37
Unpaid paternity leave	6	8	2	18
Medical care	56	69	6	92
Life insurance	52	64	6	94
Retirement plan	36	42	10	81

The Bureau's 1990 survey of small private industry establishments provides data on employee work schedules and develops information on the incidence and detailed characteristics of employee benefits paid for, at least in part, by the employer.¹ These benefits include paid lunch and rest periods; holidays, vacations, and personal, funeral, jury-duty, military, parental, and sick leave; sickness and accident, long-term disability, and life insurance; medical, dental, and vision care; and private retirement and capital accumulation plans. Because data presented in this bulletin are limited to formal plans, the extent of such benefits as rest periods and personal leave may be understated.

Data also are collected on the incidence of several other benefits, including severance pay, subsidized parking, financial counseling, child care assistance, wellness pro-

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

grams, employee assistance programs, and educational assistance. In addition, information was obtained on flexible benefits plans, reimbursement accounts, and unpaid parental leave.

For the 1990 survey of benefits in small private establishments, information was collected for both full-time and part-time employees. (Employees were classified as either full-time or part-time in accordance with practices of the surveyed establishments. Part-time workers typically are scheduled to work fewer hours per week than full-time workers engaged in the same type of work activity.)

The majority of full-time workers within the scope of the Employee Benefits Survey were provided² medical care benefits, life insurance, paid holidays, and paid vacations (table 1). Among other benefits studied and commonly available in 1990 was employer-subsidized parking (table 2).

Time-off benefits

Paid holidays and vacations were available to over 80 percent of full-time employees in small establishments in 1990.³ In contrast, paid military leave was provided to 21 percent of workers and paid personal leave was provided to 11 percent of workers.⁴ About half the full-time workers received paid funeral and jury-duty leave and formal paid rest periods, while fewer than one-tenth had formal paid lunch periods.

In general, white-collar workers were more likely to receive formal paid time-off benefits than were their blue-collar counterparts. This trend was most pronounced for sick leave and jury-duty leave, as seen in the following

² Data were collected on the number of workers "participating" in benefit plans. 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.

³ In addition to data on all full-time employees in small establishments, data are presented separately for three occupational groups—professional, technical, and related; clerical and sales; and production and service workers. This bulletin often discusses the first two groups jointly as white-collar workers, in contrast with production and service, or blue-collar, workers. Occupational groups differ from earlier studies; see Appendix A for further details.

⁴ Workers covered by a plan were labeled participants whether or not they used a benefit. For example, while the tables in this bulletin describe the provisions of sick or parental leave plans, they do not indicate the number of employees using these benefits or the amount of leave time taken.

table of the percent of full-time workers receiving:

	White collar	Blue collar
Paid sick leave	64	29
Paid jury-duty leave	66	43

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

- 10 holidays each year;
- Vacations of 8 days at 1 year of service, 14 days at 10 years, and 15 days at 20 years;
- 3 days of funeral leave per occurrence;
- 11 days of military leave per year;
- Jury duty as needed.

Unpaid maternity leave was available to 17 percent of all full-time workers and unpaid paternity leave to 8 percent. Such benefits are separate from vacations, sick leave, and other time-off provisions that also may be available to new parents. The average length of unpaid parental leave was about 13 weeks. *Paid* parental leave was rare.

Disability benefits

Employees may be protected from loss of income during short-term illnesses or injuries by sick leave, sickness and accident insurance, or both. Half of the full-time employees in small establishments had sick leave coverage in 1990 and one-quarter had sickness and accident insurance coverage. For longer term or permanent disabilities, long-term disability insurance may be available to provide income replacement. While 19 percent of all full-time workers had such coverage, three-times as many white-collar as blue-collar workers received this protection.

Short-term disability benefit plans, on average, provided sick leave of 12 days per year with full pay at 5 years of service; and sickness and accident insurance benefits commonly for 26 weeks at 50 or 67 percent of regular pay.

Long-term disability insurance typically replaced 60 percent of regular pay, providing pay after 3 or 6 months of disability.

Medical, dental, and vision care, and life insurance

Medical care was among the most widespread benefit provided to full-time employees in small establishments—seven-tenths of workers participated in such plans. The availability of other health-related benefits was less prevalent—three-tenths of full-time employees participated in a dental care plan and one-tenth had vision care coverage. There was little variation in health care benefits among occupational groups.

For full-time employees participating in medical care plans:

- Nearly three-fifths were in plans paid for entirely by the employer for individual medical care, and one-third for family coverage. Where workers contrib-

uted, their average monthly premiums were \$25 for individual coverage and \$109 for family coverage.

- 13 percent participated in plans with a preferred provider option. Participants choosing the option received care at lower costs if treatment was provided by designated hospitals or physicians.
- 14 percent participated in health maintenance organization plans.

Among dental care participants:

- Virtually all had coverage for preventive and restorative dental procedures, while nearly two-thirds had coverage for orthodontia;
- The majority were covered by plans that imposed annual limits on dental expenses, typically \$1,000;

Life insurance protection was available to nearly two-thirds of full-time employees in small establishments in 1990—three-fourths of white-collar and slightly over half of blue-collar employees.

Among full-time employees with life insurance protection:

- Nearly two-thirds were covered by life insurance based on a flat dollar amount; this was more common among blue-collar than white-collar participants;
- One-quarter had insurance available on the lives of their spouses, although the majority had to pay the entire premium for such coverage;
- Fewer than 1 in 5 were in plans that continued employer-financed life insurance coverage after retirement.

Defined benefit pension and defined contribution plans

About two-fifths of all full-time workers were covered by at least one retirement plan in 1990. Defined contribution plans, which specify employer and employee contributions but do not guarantee future benefits, were the most frequently observed form of retirement and capital accumulation plan. 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 three-tenths of the full-time 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, stock bonus, and simplified employee pension (SEP).

The most frequently observed types of defined contribution plan were deferred profit sharing and savings and thrift plans. For participants in these plans:

- Nearly all savings and thrift plan participants 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 in a savings and thrift plan was 100 percent, and generally applied to the first 3 percent of earnings saved by the employee;
- Benefits from deferred profit sharing plans were generally determined at the discretion of the company, rather than based on a stated formula.

Defined benefit plans, which specify a formula for determining future benefits, were available to one-fifth of full-time employees in small establishments.

For participants in traditional defined benefit pension retirement plans:

- The majority were in plans with formulas based on earnings, most frequently on earnings during 5 consecutive years of employment;
- 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 unreduced, pension were: Age 65 with no specified length of service, age 62 with no specified length of service, and age 62 with 10 years of service;
- The majority of covered workers could retire with a reduced pension at age 55, most commonly after 10 years of service;
- Fewer than 1 in 10 covered workers were in plans that had granted one postretirement increase or more to retirees during the previous 5 years.

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 plans were rarely found for full-time workers in the 1990 small establishment survey. Cafeteria 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.

Employer-sponsored reimbursement accounts were available to nearly one-tenth of full-time workers in 1990. These accounts 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 provided estimates of the incidence of 22 other benefits. These data show the percent of workers *eligible* for a specific benefit, but not the proportion of employees actually taking advantage of the benefit.

Of these benefits, the most frequently offered was employer-subsidized parking, which was available to nearly

nine-tenths of full-time employees. Parking benefits included on-site facilities offered without charge, and reduced rates at commercial lots.

Educational assistance provides full or partial reimbursement of employee expenses for books, tuition, and fees. About one-third of full-time employees were eligible for job-related educational assistance, while non-job-related educational assistance was rare.

Nonproduction cash bonuses were available to somewhat less than one-half of full-time employees, employee discounts to nearly two-fifths, and employer gifts to one-tenth. There was little difference in the prevalence of these benefits among blue- and white-collar worker.

Two employer-subsidized health promotion services—wellness programs and employee assistance programs—were surveyed in 1990. Employee wellness programs were offered to less than one-tenth of full-time employees. These programs offered structured, separate plans (that is, independent of medical 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 slightly more than one-eighth of the workers 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 rarely reported.

Several family-related benefits were rarely observed among full-time employees in small establishments: Long-term care insurance, often purchased with employee funds at group rates, covers extended home health care or nursing home stays, and may be available for employees, spouses, or other relatives; childcare benefits include employer-subsidized facilities or full or partial reimbursement to employees for the cost of caring for a child in a nursery, daycare center, or by a baby-sitter, on or off the employer's premises;⁵ eldercare includes employer subsidies for daycare for elderly or disabled dependents, or time off for employees to handle such matters.⁶

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 covered. This may be partly due to the greater likelihood of moving and travel among professional, technical, and

⁵ For further analysis of dependent care, see Stephanie L. Hyland, "Helping Employees with Family Care," *Monthly Labor Review*, September 1990, pp.22-26.

⁶ See chapter 7, Plan Administration, for information on reimbursement accounts, an alternative means of subsidizing dependent care expenses.

related workers than among the other groups. Severance pay was also more frequently available to white-collar employees.

The information presented in chapters 1-8 of this bulletin describe the incidence and provisions of benefits provided to full-time employees in small establishments.⁷

Data on part-time employees are presented in chapter 9.

⁷ For some benefits, less detailed provision information is available than was presented for earlier surveys of full-time workers in medium and large private establishments. This is because the incidence of certain benefits or the response rate was too low to meet publication criteria.

A Note on the Tables

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

For example, table 1 indicates that 69 percent of all full-time employees were covered by a medical care plan. In chapter 4, most of the tables present data on the percent of workers with medical care who have certain provisions. Workers with medical care equal 100 percent in these tables, with smaller percents indicating the availability of plan features. For example, in table 37, 100 percent indicates those workers with medical care plans and 74 percent indicates those workers with medical care covered by a fee-for-service plan. A more detailed discussion of data calculation is found in appendix A.

Table 1. Summary: Percent of full-time employees participating¹ in selected employee benefit programs, small establishments,² 1990

Employee benefit program	All employees	Professional, technical, and related employees	Clerical and sales employees	Production and service employees	Employee benefit program	All employees	Professional, technical, and related employees	Clerical and sales employees	Production and service employees
Paid:					Dental insurance—continued				
Holidays	84	95	91	75	Family coverage:				
Vacations	88	94	93	83	Wholly employer financed	11	11	12	11
Personal leave	11	17	13	7	Partly employer financed	19	27	23	13
Lunch period	8	7	7	8	Life insurance	64	79	70	55
Rest time	48	42	46	51	Wholly employer financed	53	69	60	43
Funeral leave	47	57	54	38	Partly employer financed	11	11	10	11
Jury duty leave	54	72	62	43	All retirement ³	42	49	47	37
Military leave	21	29	26	15	Defined benefit pension	20	20	23	18
Sick leave	47	70	61	29	Wholly employer financed	19	18	21	18
Maternity leave	2	3	3	1	Partly employer financed	1	2	1	1
Paternity leave	(⁴)	(⁴)	(⁴)	(⁴)	Defined contribution ⁵	31	40	36	24
Unpaid:					Uses of funds:				
Maternity leave	17	26	20	12	Retirement ⁶	28	36	32	21
Paternity leave	8	13	8	5	Wholly employer financed ⁷	16	19	17	15
Sickness and accident insurance					Partly employer financed	11	17	16	6
Wholly employer financed	26	25	24	27	Capital accumulation ⁸	4	5	4	2
Wholly employer financed	17	14	15	19	Wholly employer financed ⁷	1	2	2	1
Partly employer financed	9	10	10	9	Partly employer financed	2	3	3	2
Long-term disability insurance					Types of plans:				
Wholly employer financed	19	36	25	9	Savings and thrift	10	16	15	5
Wholly employer financed	16	30	21	8	Deferred profit sharing	15	17	17	13
Partly employer financed	3	5	4	2	Employee stock ownership	1	1	1	(⁴)
Medical care					Money purchase pension	6	9	6	6
Employee coverage:	69	82	75	60	Stock bonus	(⁴)	-	(⁴)	-
Wholly employer financed	40	46	40	37	Simplified employee pension	1	1	1	(⁴)
Partly employer financed	29	36	35	23	Stock option	(⁴)	-	(⁴)	(⁴)
Family coverage:					Stock purchase	(⁴)	(⁴)	(⁴)	(⁴)
Wholly employer financed	22	23	22	22	Cash only profit-sharing	(⁴)	-	(⁴)	-
Partly employer financed	46	59	53	38	Flexible benefits plans	1	3	2	1
Dental care					Reimbursement accounts	8	13	9	4
Employee coverage:	30	38	35	24					
Wholly employer financed	17	19	19	15					
Partly employer financed	12	18	16	8					

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

² See appendix A for scope of study.

³ Includes defined benefit pension plans and defined contribution retirement plans. The total is less than the sum of the individual items because many employees participated in both types of plans.

⁴ Less than 0.5 percent.

⁵ 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.

⁶ 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.

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

⁸ 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.

NOTE: Because of rounding, sums of individual items may not equal totals. Where applicable, dash indicates no employees in this category. In a few instances, the figures differ slightly from those published in the June 10, 1991 news release, USDL 91-260.

Table 2. Other benefits: Percent of full-time employees eligible for specified benefits, small establishments, 1990

Employee benefit	All employees	Professional, technical, and related employees	Clerical and sales employees	Production and service employees
Income continuation plans:				
Severance pay	19	30	26	12
Supplemental unemployment benefits	(¹)	(¹)	(¹)	(¹)
Transportation benefits:				
Free or subsidized employee parking	86	84	85	88
Subsidized commuting	1	1	(¹)	1
Job-related travel accident insurance	15	24	19	9
Gifts and cash bonuses:				
Gifts	10	9	11	9
Nonproduction bonuses	45	42	47	44
Financial and legal services:				
Financial counseling	2	5	2	1
Prepaid legal services	2	2	3	1
Family benefits:				
Employer assistance for child care	1	2	2	1
Employer financial assistance for adoption	1	2	2	(¹)
Eldercare	2	5	1	1
Long-term care insurance	1	(¹)	1	1
Health promotion programs:				
In-house infirmary	5	11	4	2
Wellness programs	6	10	8	4
Employee assistance programs	15	21	17	11
Miscellaneous benefits:				
Employee discounts	38	32	46	36
Employer-subsidized recreation facilities	6	12	6	4
Subsidized meals	5	7	4	4
Sabbatical leave	-	-	-	-
Relocation allowance	12	22	15	6
Education assistance:				
Job related	35	50	41	27
Not job related	4	8	5	3

¹ Less than 0.5 percent.

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

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

The majority of full-time employees worked a 40-hour week. Time off with pay was available to employees in several different forms—from daily rest periods to annual vacations of several weeks. In 1990, survey coverage of paid time off 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 were also surveyed. (Information on paid sick leave appears in chapter 3.)

Work schedules

Weekly work schedules of 40 hours were predominant, applying to three-fourths of the full-time employees covered by the survey (table 3). Alternatives, such as 35 or 37½ hours per week, were most prevalent among white-collar workers. Three quarters of the work force were scheduled to work five 8-hour days.

Formal flexible work arrangements, which give employees the opportunity to begin and end work within a range of hours, were rarely observed. When available, limits on the amount of flexibility varied from plan to plan, but generally employees must be at work for a core of hours during midday. White-collar workers were more frequently offered flexible work schedules than were blue-collar workers.

Paid time off

Paid lunch and rest periods. Formal paid lunch periods were provided to fewer than one-tenth of the employees, and about half were provided formal rest time, such as coffee breaks and cleanup time (tables 4 and 5). Paid rest time was slightly more common among production and service workers than among the other two occupational groups, while paid lunch time generally applied equally to all groups.

Blue-collar employees who were covered by paid lunch period plans averaged 33 minutes per day, while their white-collar counterparts averaged 42 minutes each day. Paid rest time, averaging 27 minutes a day, was provided most commonly as two daily breaks of 10 or 15 minutes each.

Paid holidays. Paid holidays, averaging 9.5 days per year, were provided to over four-fifths of full-time employees.

White-collar workers were more likely to receive paid holidays than were blue-collar workers. 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 three-fourths of the employees receiving paid holidays. Most of the remaining workers received either another day off or an additional day’s pay, depending on when the holiday fell.

Paid vacations. Paid vacations were provided to nearly 9 out of 10 employees (table 9). As with paid holidays, white-collar workers were more likely to receive paid vacations than blue-collar workers. Vacation pay provisions for all employees averaged 7.6 days at 1 year of service, 13.5 days at 10 years, 15.0 days at 20 years, and 15.3 days at 30 years.

Plans covering white-collar employees generally provided more vacation days than those for blue-collar employees, particularly as length of service increased. Three-fifths of white-collar employees, for example, became eligible for at least 15 days of vacation at 10 years of service compared with two-fifths of blue-collar employees.

In cases where holidays, vacation, sick leave days, or personal leave were combined under one leave category and could not be shown separately, the total amount of leave 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 and nursing homes. Such arrangements were rare, but when found typically offered a greater average number of days than vacation plans that were not leave banks.

Nearly all white-collar employees received their regular salaries or earnings during vacation periods. Nine-tenths of blue-collar employees also received their regular pay; the remainder received either a flat-sum payment or payments based on a percentage of regular 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 (table 10). The most common length-of-service

requirement was 1 year for both white-collar participants and blue-collar participants.

The survey also covered carryover and cash-in provisions for unused vacation time (table 11). One-fifth of all full-time workers covered were allowed to carry over at least some of their unused vacation days into the next year; one-tenth could cash in some or all of their vacation days at the end of the year; and less than one-tenth had both cash-in and carryover provisions. The majority lost vacation days that were unused at the end of the year. White-collar workers were more likely to have carryover provisions than blue-collar workers who, in turn, enjoyed a similar advantage in cash-in provisions.

The average number of vacation days varied depending on the cash-in/carryover provisions (table 12). At all lengths of service, the greatest number of days was provided to those employees who could carry over unused vacation days. These employees averaged 2 more days a year than employees without cash-in or carryover provisions.

Paid personal leave. Formal personal leave, which allows employees to be absent from work with pay for a variety of reasons not covered by other specific leave plans, was provided to one-tenth of the full-time employees (table 13). Twice the proportion of white-collar employees as blue-collar workers received personal leave. Most commonly, employees provided personal leave were eligible for 1 to 5 days; the average was 2.8 days per year. A few employees were provided as much personal leave as needed.

Paid funeral leave, jury-duty leave, and military leave. A majority of white-collar workers and nearly two fifths of blue-collar workers were eligible for paid leave to attend funerals of family members (table 14). Nine-tenths of eligible employees received a set number of days per occurrence, averaging 2.9 days. White-collar workers received an average of 3.1 days, while blue-collar workers averaged 2.8 days per occurrence.

Two-tenths 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 3.)

Just over half the full-time workers were eligible for paid leave while serving as a juror (table 15). Paid time off for jury duty was usually provided "as needed"; employer payments commonly made up the difference between 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 one-fifth of the full-time employees (table 16). The most common provision was 2 weeks off per year, but 6 percent of workers were in establishments providing paid military leave as needed. For workers with a specified number of days off, military leave averaged 11.1 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 17 percent of full-time employees; 8 percent were eligible for unpaid paternity leave (tables 17 and 18). White-collar workers were twice as likely to be covered by such plans than were blue-collar workers. Two percent of the workers had paid maternity leave; paid paternity leave was virtually nonexistent. Parental leave plans were defined as separate from an employee's other leave plans, such as sick leave and paid vacations, which might be used by a new mother or father. Unpaid maternity and paternity leave generally could be 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 about 13 weeks and maximum paternity benefits averaged almost 12 weeks in duration. The average weeks varied slightly by occupational group.

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.⁸

⁸ 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,¹ small establishments, 1990

Work schedule	All employees	Professional, technical, and related employees	Clerical and sales employees	Production and service employees
Total	100	100	100	100
Hours per week:				
Under 35	4	2	3	6
35	5	6	7	4
Over 35 and under 37.5	2	4	2	2
37.5	5	8	8	1
Over 37.5 and under 40	1	1	2	1
40	77	69	74	82
Over 40 and under 50	3	4	3	3
50 and over	2	6	1	1
Hours per week not available	(²)	(²)	(²)	(²)
Non-fixed work hours	(²)	(²)	(²)	(²)
Hours per day:				
Under 6	1	(²)	1	2
6	2	1	1	2
Over 6 and under 7	1	1	(²)	2
7	6	6	7	5
Over 7 and under 8	7	13	10	3
8	78	70	76	82
Over 8 and under 9	1	2	1	1
9	1	2	1	1
Over 9 and under 10	(²)	(²)	(²)	(²)
10	2	5	1	2
Over 10	(²)	(²)	(²)	1
Hours per day not available	(²)	(²)	(²)	(²)
Non-fixed work days	(²)	(²)	(²)	(²)

¹ Work schedule data include regularly scheduled overtime, paid lunch, and paid rest periods.

² Less than 0.5 percent.

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

Table 4. Paid lunch time: Percent of full-time employees by minutes of paid lunch time per day, small establishments, 1990

Minutes per day	All employees	Professional, technical, and related employees	Clerical and sales employees	Production and service employees
Total	100	100	100	100
Provided paid lunch time	8	7	7	8
Under 30 minutes	1	(¹)	(¹)	1
30 minutes	5	3	3	6
Over 30 minutes	2	3	4	1
Number of minutes not available	(¹)	(¹)	-	1
Not provided paid lunch time	92	93	93	92

¹ Less than 0.5 percent.

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

Table 5. Paid rest time: Percent of full-time employees by minutes of paid rest time per day, small establishments, 1990

Minutes per day	All employees	Professional, technical, and related employees	Clerical and sales employees	Production and service employees
Total	100	100	100	100
Provided paid rest time	48	42	46	51
Under 15 minutes	1	(¹)	(¹)	1
15 minutes	2	2	3	2
Over 15 and under 20 minutes	(¹)	(¹)	-	(¹)
20 minutes	12	9	10	14
Over 20 and under 30 minutes	(¹)	(¹)	(¹)	(¹)
30 minutes	31	29	32	32
Over 30 minutes	1	1	(¹)	1
Number of minutes not available	(¹)	(¹)	(¹)	1
Not provided paid rest time	52	58	54	49

¹ Less than 0.5 percent.

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

Table 6. Paid holidays and vacations: Average number of days for full-time participants, small establishments, 1990

Item	All participants	Professional, technical, and related participants	Clerical and sales participants	Production and service participants
Paid holidays	9.5	10.6	9.8	8.7
Paid vacation by length of service: ¹				
At 1 year ¹	7.6	9.5	8.0	6.6
At 3 years	10.0	11.4	10.2	9.2
At 5 years	11.5	13.0	11.8	10.6
At 10 years	13.5	15.2	13.9	12.5
At 15 years	14.5	16.2	15.0	13.3
At 20 years	15.0	16.7	15.6	13.9
At 25 years	15.3	16.9	16.0	14.0
At 30 years ²	15.3	16.9	16.0	14.1

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

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

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

Table 7. Paid holidays: Percent of full-time employees by number of paid holidays provided each year, small establishments, 1990

Number of days	All employees	Professional, technical and related employees	Clerical and sales employees	Production and service employees
Total	100	100	100	100
Provided paid holidays	84	95	91	75
1 day	1	(¹)	1	2
1.1 - 1.9 days	(¹)	(¹)	(¹)	(¹)
2 days	1	1	1	2
3 days	1	2	2	1
3.1-3.9 days	(¹)	-	(¹)	(¹)
4 days	2	1	2	2
5 days	5	3	5	6
5.1 - 5.9 days	(¹)	(¹)	(¹)	(¹)
6 days	17	12	17	19
6.1 - 6.9 days	1	(¹)	(¹)	1
7 days	11	15	11	10
7.1 - 7.9 days	2	1	2	2
8 days	10	9	11	9
8.1 - 8.9 days	2	4	2	1
9 days	8	12	11	5
9.1 - 9.9 days	1	1	1	(¹)
10 days	12	22	13	7
10.1 - 10.9 days	(¹)	1	(¹)	(¹)
11 days	4	4	5	3
11.1 - 11.9 days	(¹)	(¹)	(¹)	(¹)
12 days	1	2	2	1
12.1 - 12.9 days	(¹)	(¹)	(¹)	(¹)
13 days	1	2	2	1
13.1 - 13.9 days	(¹)	1	(¹)	(¹)
14 days	1	1	1	(¹)
More than 14 days	1	2	1	(¹)
Number of days not available	(¹)	(¹)	(¹)	(¹)
Not provided paid holidays	16	5	9	25

¹ Less than 0.5 percent.

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

Table 8. Paid holidays: Percent of full-time participants by policy on holidays that fall on a regularly scheduled day off, small establishments, 1990

Holiday policy	All participants	Professional, technical, and related participants	Clerical and sales participants	Production and service participants
Total	100	100	100	100
Holiday is not observed	7	2	8	7
Another day off granted	77	86	75	74
Additional day's pay in lieu of holiday	4	1	3	6
Another day off or day's pay, depending on when holiday falls ...	7	4	8	8
Another day off or holiday not observed, depending on when holiday falls	2	2	2	1
Other provision applies ¹	1	2	1	1
Holiday policy not determinable	2	2	2	3

¹ 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, small establishments, 1990

Vacation policy	All employees	Professional, technical, and related employees	Clerical and sales employees	Production and service employees	Vacation policy	All employees	Professional, technical, and related employees	Clerical and sales employees	Production and service employees
Total	100	100	100	100	At 10 years of service:				
Provided paid vacations ¹	88	94	93	83	Under 5 days	(¹)	(¹)	(¹)	-
At 1 year of service:					5 days	8	2	6	12
Under 5 days	(¹)	(¹)	(¹)	(¹)	Over 5 and under 10 days	(¹)	(¹)	(¹)	(¹)
5 days	46	25	42	55	10 days	26	19	26	27
Over 5 and under 10 days	1	2	1	2	Over 10 and under 15 days				
10 days	33	54	45	18	15 days	35	42	42	28
Over 10 and under 15 days	1	2	1	1	Over 15 and under 20 days				
15 days	2	6	2	1	20 days	12	21	13	9
Over 15 and under 20 days	1	1	(¹)	1	Over 20 days	2	3	2	1
20 days	1	4	1	1	At 15 years of service:				
Over 20 days	(¹)	(¹)	(¹)	(¹)	Under 5 days	(¹)	(¹)	(¹)	-
At 3 years of service:					5 days	8	3	6	11
Under 5 days	(¹)	(¹)	(¹)	(¹)	Over 5 and under 10 days	(¹)	(¹)	(¹)	(¹)
5 days	13	4	10	19	10 days	23	18	25	24
Over 5 and under 10 days	1	1	(¹)	1	Over 10 and under 15 days				
10 days	60	60	69	54	15 days	1	1	1	1
Over 10 and under 15 days	4	9	3	2	Over 15 and under 20 days				
15 days	5	11	6	2	20 days	2	2	2	2
Over 15 and under 20 days	1	2	(¹)	1	20 days	23	31	29	16
20 days	3	7	3	1	Over 20 days	4	8	4	2
Over 20 days	(¹)	(¹)	(¹)	(¹)	At 20 years of service:				
At 5 years of service:					Under 5 days	(¹)	(¹)	(¹)	-
Under 5 days	(¹)	(¹)	(¹)	-	5 days	8	3	6	11
5 days	9	3	7	13	Over 5 and under 10 days	(¹)	(¹)	(¹)	(¹)
Over 5 and under 10 days	(¹)	1	(¹)	(¹)	10 days	23	18	24	24
10 days	45	39	48	46	Over 10 and under 15 days				
Over 10 and under 15 days	5	8	4	3	15 days	1	1	1	1
15 days	21	29	27	14	Over 15 and under 20 days				
Over 15 and under 20 days	2	2	1	2	20 days	1	2	1	1
20 days	4	10	5	2	Over 20 and under 25 days				
Over 20 days	(¹)	1	(¹)	(¹)	25 days	2	4	1	1
					Over 25 days	4	6	5	4
						1	2	1	(¹)

Table 9. Paid vacations: Percent of full-time employees by amount of paid vacation provided at selected periods of service, small establishments, 1990—Continued

Vacation policy	All employees	Professional, technical, and related employees	Clerical and sales employees	Production and service employees	Vacation policy	All employees	Professional, technical, and related employees	Clerical and sales employees	Production and service employees
At 25 years of service:					At 30 years of service—Continued				
Under 5 days	(¹)	(¹)	(¹)	-	Over 5 and under 10 days	(¹)	(¹)	(¹)	(¹)
5 days	8	3	6	11	10 days	23	18	24	24
Over 5 and under 10 days	(¹)	(¹)	(¹)	(¹)	Over 10 and under 15 days	1	1	1	1
10 days	23	18	24	24	15 days	21	25	21	19
Over 10 and under 15 days	1	1	1	1	Over 15 and under 20 days	1	2	1	1
15 days	21	25	22	20	20 days	22	32	26	16
Over 15 and under 20 days	1	2	1	1	Over 20 and under 25 days	2	4	1	1
20 days	22	32	26	16	25 days	7	7	10	5
Over 20 and under 25 days	2	4	2	1	Over 25 days	2	3	3	1
25 days	7	7	10	5					
Over 25 days	1	2	2	1	Not provided paid vacations	12	6	7	17
At 30 years of service:									
Under 5 days	(¹)	(¹)	(¹)	-					
5 days	8	3	6	11					

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

² 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 10. Paid vacations: Percent of full-time participants by length of service required to take vacation, small establishments, 1990

Length of service requirement	All participants	Professional, technical, and related participants	Clerical and sales participants	Production and service participants
Total	100	100	100	100
With service requirement	92	91	92	93
1 month	3	3	2	3
2 months	1	1	1	1
3 months	4	6	4	3
4-5 months	(¹)	1	1	(¹)
6 months	18	29	22	10
7-11 months	(¹)	(¹)	(¹)	(¹)
1 year	65	51	61	73
Over 1 year	1	1	(¹)	2
Without service requirement	6	9	7	5
Service requirement not determinable	1	1	1	2

¹ Less than 0.5 percent.

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

Table 11. Paid vacations: Percent of full-time participants by unused vacation policy, small establishments, 1990

Policy	All participants	Professional, technical, and related participants	Clerical and sales participants	Production and service participants
Total	100	100	100	100
Carryover only	21	34	21	15
Cash-in only	11	7	10	13
Carryover and cash-in	8	9	6	9
Unused benefit lost	56	47	59	57
Data not available	5	3	4	6

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

Table 12. Paid vacations: Average number of days for full-time participants by length of service and cash-in/carryover provisions, small establishments, 1990

Length of service	All plans	Cash-in, carryover, or both	Carryover only	No cash-in or carryover
At 1 year	7.6	8.1	9.3	7.3
At 3 years	10.0	10.2	11.1	9.8
At 5 years	11.5	11.8	13.0	11.2
At 10 years	13.5	13.8	15.1	13.2
At 15 years	14.5	14.8	16.3	14.2
At 20 years	15.0	15.3	16.8	14.7
At 25 years	15.3	15.6	17.2	15.0
At 30 years	15.3	15.6	17.3	15.0

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

Table 13. Paid personal leave: Percent of full-time employees by number of paid personal leave days provided per year, small establishments, 1990

Number of days	All employees	Professional, technical, and related employees	Clerical and sales employees	Production and service employees
Total	100	100	100	100
Provided paid personal leave	11	17	13	7
1 day	2	3	3	1
2 days	3	4	5	2
3 days	2	3	2	2
4 days	1	3	1	(¹)
5 days	1	1	1	(¹)
More than 5 days	1	2	1	1
No maximum specified ²	1	1	1	1
Varies by length of service	(¹)	1	(¹)	(¹)
Number of days not available	(¹)	(¹)	(¹)	-
Not provided paid personal leave	89	83	87	93

¹ Less than 0.5 percent.

² Personal 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 14. Paid funeral leave: Percent of full-time employees by number of paid funeral leave days available per occurrence, small establishments, 1990

Number of days	All employees	Professional, technical, and related employees	Clerical and sales employees	Production and service employees
Total	100	100	100	100
Provided paid funeral leave	47	57	54	38
1 day	3	4	3	3
2 days	4	3	3	5
3 days	30	35	36	25
4 days	1	2	1	(¹)
5 days	4	7	5	1
More than 5 days	(¹)	-	(¹)	(¹)
No maximum specified	4	6	5	3
Varies by length of service	(¹)	(¹)	(¹)	-
Not provided paid funeral leave	53	43	46	62
Number of days varies by relationship to deceased ²	10	14	13	7

¹ Less than 0.5 percent.

² The maximum number of days provided for any occurrence was included in the distribution of funeral leave days.

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

Table 15. Paid jury-duty leave: Percent of full-time employees by number of paid jury-duty leave days available per occurrence, small establishments, 1990

Number of days	All employees	Professional, technical, and related employees	Clerical and sales employees	Production and service employees
Total	100	100	100	100
Provided paid jury-duty leave	54	72	62	43
Under 10 days	2	1	2	1
10 days	3	3	4	2
11-19 days	(¹)	(¹)	(¹)	(¹)
20 days	1	2	1	(¹)
Over 20 days	1	1	(¹)	1
No maximum specified ²	48	64	55	38
Number of days not available	(¹)	(¹)	(¹)	-
Not provided paid jury-duty leave	46	28	38	57

¹ Less than 0.5 percent.

² Jury-duty leave is provided as needed.

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

Table 16. Paid military leave: Percent of full-time employees by number of paid military leave days available per year, small establishments, 1990

Number of days	All employees	Professional, technical, and related employees	Clerical and sales employees	Production and service employees
Total	100	100	100	100
Provided paid military leave	21	29	26	15
Under 5 days	(¹)	(¹)	-	(¹)
5-9 days	1	(¹)	1	1
10 days	12	16	14	9
11-14 days	1	1	1	(¹)
15 days	(¹)	1	(¹)	(¹)
Over 15 days	1	1	1	1
No maximum specified ²	6	9	8	5
Number of days not available	1	1	1	-
Not provided paid military leave	79	71	74	85

¹ Less than 0.5 percent.

² Military leave is provided as needed.

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

Table 17. Parental leave: Percent of full-time employees by leave policy, small establishments, 1990

Employer leave policy	All employees	Professional, technical, and related employees	Clerical and sales employees	Production and service employees
Total	100	100	100	100
Eligible for parental leave ¹	19	30	23	13
Eligible for maternity leave	19	29	23	13
Paid days only	2	3	2	1
Unpaid days only	16	26	19	11
Both unpaid and paid days	(²)	(²)	1	(²)
Information not available on type of days	(²)	(²)	1	(²)
Not eligible for maternity leave	(²)	(²)	(²)	(²)
Eligible for paternity leave	8	13	9	6
Paid days only	(²)	(²)	(²)	(²)
Unpaid days only	7	13	8	5
Both unpaid and paid days	(²)	(²)	(²)	(²)
Information not available on type of days	(²)	(²)	(²)	(²)
Not eligible for paternity leave	11	16	14	7
Not eligible for parental leave	81	70	77	87

¹ Parental leave includes plans providing maternity leave only, paternity leave only, and both maternity and paternity leave.

² Less than 0.5 percent.

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

Table 18. Unpaid parental leave¹: Percent of eligible full-time employees by maximum duration of benefits, small establishments, 1990

Duration	All eligible employees	Professional, technical, and related employees	Clerical and sales employees	Production and service employees
Unpaid maternity leave				
Total	100	100	100	100
Under 1 month	4	5	5	4
1 month	(²)	1	-	-
Over 1 but under 2 months	48	45	45	54
2 months	(²)	(²)	(²)	1
Over 2 but under 3 months	9	9	7	12
3 months	11	10	12	9
Over 3 and under 4 months	1	1	(²)	1
4 months	(²)	1	(²)	1
Over 4 but under 5 months	10	11	14	5
Over 5 but under 6 months	(²)	(²)	(²)	-
6 months	9	10	12	4
Over 6 months	7	7	4	10
Unpaid paternity leave				
Total	100	100	100	100
Under 1 month	10	11	12	7
Over 1 but under 2 months	52	55	37	66
Over 2 but under 3 months	8	5	10	7
3 months	8	5	13	5
Over 4 but under 5 months	11	10	19	3
6 months	7	9	7	4
Over 6 months	5	7	1	7

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

² Less than 0.5 percent.

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

Chapter 3. Disability Benefits

This chapter discusses three types of disability benefits: Sick leave, sickness and accident insurance, and long-term disability insurance. Paid sick leave and sickness and accident insurance provide 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 plans.

Short-term disability protection through sick leave, sickness and accident insurance, or both, was provided to three-fifths of all full-time employees in the small establishments in 1990 (table 19). 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.

Sick leave was provided to nearly half the full-time employees and sickness and accident insurance to one-fourth of the full-time workers. An eighth 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 tended 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 7.5 days at full pay. Plans not coordinated with insurance provided 13.3 days.

Long-term disability insurance (LTD), which typically pays 60 percent of earnings, was provided to one-fifth of the full-time employees in small establishments in 1990. LTD insurance payments usually begin after 3 or 6 months of disability and continue until retirement age or for a specified number of months, depending on the worker's age at the time of disability.

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

Paid sick leave

Of the employees covered by paid sick leave plans, 89 percent were allowed a fixed number of days per year (annual sick leave plans). Five percent of the participants were provided sick leave benefits for each illness (per dis-

ability plans). Most of the remainder were covered by both annual and per disability benefits (tables 20 - 25). Employees receiving annual plans averaged 8.5 days at 1 year, 11.5 days at 5 years, 14.0 days at 15 years, and 14.9 days at 25 years.

Two-fifths 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). Approximately 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 10 and 100 days. The remaining workers in cumulative plans were allowed to accumulate an unlimited amount of sick leave.

Noncumulative plans provided, on average, a greater number of days per year than cumulative plans. At 3 years of service, for example, noncumulative plans provided 10.8 days per year, while cumulative plans provided 9.3 days per year. This difference increased at longer lengths of service. For example, at 20 years of service, workers in noncumulative plans averaged 17.1 days per year, while workers in cumulative plans averaged 10.8 days per year.

Workers were often not immediately eligible for sick leave benefits. Slightly over one-half of employees had to meet length of service requirements before qualifying for sick leave benefits. Three months was the most common length of service requirement.

While sick leave is commonly thought of as replacing lost income while an employee is ill or injured, the survey found that a majority of workers could use their benefits for other reasons. For example, using sick leave to take care of a sick child (available to 46 percent of annual participants), or to take care of personal business (23 percent) were the most frequently observed provisions.

Sickness and accident insurance

Sickness and accident insurance plans covered one-fourth of full-time employees in small establishments, protecting them against income losses due to short-term disabilities in 1990. Two-thirds of the participants had their benefits fully paid by their employer. The remainder most often paid a percent of earnings, up to a specified maximum contribution⁹ (tables 26-28).

⁹ The prevalence of such contribution formulas is influenced in large part by the mandatory sickness and accident insurance plans in New York and New Jersey, discussed later in this chapter.

Benefit payments under sickness and accident insurance plans were either a percent of employee earnings or a flat 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 percent by length of service or length of disability. Four-fifths of the participants in earnings-based plans had a dollar limit on the amount of the weekly benefit.

Blue-collar workers were the most frequent 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 virtually all participants.

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 5 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. The waiting period is effectively dropped when sickness and accident insurance is coordinated with sick leave, because insurance payments typically 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 proportion of the worker's earnings for up to 26 weeks with a limit on the weekly benefit (\$170 in New York and \$261 in New Jersey during 1990).¹⁰

The State of Hawaii requires that employers provide a minimum level of temporary disability income protection—55 percent of earnings to a maximum of \$255 per week for up to 26 weeks.

Long-term disability insurance

Long-term disability insurance provides a monthly benefit to employees who, due to illness or injury, are unable to work for an extended period of time (tables 29-35). Generally, LTD benefit payments begin after 3 or 6 months of disability and continue until retirement age, or for a specified number of months, depending on the employee's age

¹⁰ 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.

at time of disability. In most instances, the LTD payments take the form of a percent of predisability earnings.

Of the full-time employees covered by the survey, 19 percent had LTD coverage; 16 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 7 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.¹¹

Service requirements were imposed upon three-fifths of the LTD participants before they were covered by their plan. One-third of participants had service requirements of 1 to 3 months and 1 in 10 had service requirements of 1 year or more. It was rare for LTD participants to be in plans that required an employee to have reached a certain age to be eligible for the benefit.

The degree of participation varied widely among the employee groups, with white-collar workers more than three times as likely to have LTD insurance as blue-collar workers. However, some employees not covered under LTD insurance are eligible for an immediate disability pension through their retirement plan (see chapter 6).

Two-fifths of the full-time participants had to wait 3 months, and another two-fifths 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.

Nearly 9 out of 10 participants received their LTD benefit as a fixed percent of predisability earnings. The most common benefit was 60 percent of monthly pay. Most of these plans set a limit on maximum monthly payments. These maximums commonly ranged between \$4,001 and \$10,000; the average was \$4,767.

One third of the participants were in plans that imposed a maximum on all sources of disability income. Such ceilings affect benefits only if the amount payable from the LTD plan plus income from outside sources, such as rehabilitative employment and all Social Security payments, exceeded a specified percentage (most commonly 70 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 about half of the LTD participants. These benefits usually took the form of a lump-sum payment (most often equal to 3 times the monthly LTD benefit) or a percent of the monthly LTD benefit paid for a fixed number of

¹¹ 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).

months(generally not more than 6 months).

Plans that included coverage for disabilities due to mental illness covered about half of long-term disability plan participants. However, the majority of these had limits

placed upon coverage. In most of these cases, benefits were provided for a specified period (usually 24 months) and then ceased unless the participant was institutionalized at the end of the limiting period.

Table 19. Short-term disability coverage: Percent of full-time employees by participation in sickness and accident insurance plans and paid sick leave plans, small establishments, 1990

Type of plan	All employees	Professional, technical, and related employees	Clerical and sales employees	Production and service employees
Total	100	100	100	100
With short-term disability coverage ..	59	77	68	47
Sickness and accident insurance only	12	7	7	18
Paid sick leave only	33	53	44	20
Combined sickness and accident insurance/paid sick leave	13	18	17	9
Without short-term disability coverage	41	23	32	53

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

Table 20. Paid sick leave: Percent of full-time employees by type of provision, small establishments, 1990

Provision	All employees	Professional, technical, and related employees	Clerical and sales employees	Production and service employees
Total	100	100	100	100
Provided paid sick leave	47	70	61	29
Sick leave provided on:				
An annual basis only ¹	41	62	53	26
A per disability basis only ²	2	3	3	2
Both an annual and per disability basis	2	3	3	1
As needed basis ³	1	2	2	(⁴)
Other basis ⁵	(⁴)	(⁴)	(⁴)	(⁴)
Not provided paid sick leave	53	30	39	71

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

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

³ Plan does not specify maximum number of days.

⁴ Less than 0.5 percent.

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

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

Table 21. Paid sick leave: Percent of full-time employees by sick leave provision, small establishments, 1990

Sick leave policy ¹	All employees	Professional, technical, and related employees	Clerical and sales employees	Production and service employees	Sick leave policy ¹	All employees	Professional, technical, and related employees	Clerical and sales employees	Production and service employees
Total	100	100	100	100					
Provided paid sick leave ²	47	70	61	29	At 10 years of service—Continued				
Sick leave provided annually ⁴	43	65	56	27	60 and under 120 days	1	2	2	(³)
At 1 year of service:					120 days or more	1	2	1	(³)
Under 5 days	5	4	5	6	At 15 years of service:				
5 and under 10 days	22	29	30	14	Under 5 days	5	4	4	5
10 and under 15 days	11	23	14	4	5 and under 10 days	21	27	28	15
15 and under 30 days	2	4	3	2	10 and under 15 days	11	24	14	4
30 and under 60 days	1	2	1	(³)	15 and under 30 days	2	4	3	2
60 and under 120 days	(³)	1	(³)	(³)	30 and under 60 days	1	(³)	1	(³)
120 days or more	(³)	(³)	(³)	-	60 and under 120 days	1	3	2	1
At 3 year of service:					120 days or more	1	2	2	(³)
Under 5 days	5	4	4	5	At 20 years of service:				
5 and under 10 days	21	28	28	15	Under 5 days	5	4	4	5
10 and under 15 days	11	24	14	4	5 and under 10 days	21	27	27	15
15 and under 30 days	3	4	4	2	10 and under 15 days	11	24	14	4
30 and under 60 days	1	1	3	(³)	15 and under 30 days	2	4	3	2
60 and under 120 days	1	2	1	(³)	30 and under 60 days	1	(³)	1	(³)
120 days or more	(³)	2	(³)	-	60 and under 120 days	1	2	2	(³)
At 5 years of service:					120 days or more	1	3	2	(³)
Under 5 days	5	4	4	5	At 25 years of service: ⁵				
5 and under 10 days	21	27	28	15	Under 5 days	5	4	4	5
10 and under 15 days	11	24	14	4	5 and under 10 days	21	27	27	15
15 and under 30 days	3	4	4	1	10 and under 15 days	11	24	14	4
30 and under 60 days	1	1	2	1	15 and under 30 days	2	4	3	2
60 and under 120 days	1	2	1	(³)	30 and under 60 days	1	(³)	1	(³)
120 days or more	1	2	(³)	(³)	60 and under 120 days	1	2	1	(³)
At 10 years of service:					120 days or more	2	3	3	1
Under 5 days	5	4	4	5	Sick leave provided on a per disability basis ⁶	4	7	6	2
5 and under 10 days	21	27	28	15	As needed basis ⁷	1	2	1	(³)
10 and under 15 days	11	24	14	4	Other basis ⁸	(³)	(³)	(³)	(³)
15 and under 30 days	2	4	3	1	Not provided paid sick leave	53	30	39	71
30 and under 60 days	1	1	2	(³)					

¹ 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.

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

³ Less than 0.5 percent.

⁴ Employees earn a specified number of sick leave days per year.

⁵ Provisions were virtually the same after longer years of service.

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

⁷ Plan does not specify maximum number of days.

⁸ Includes formal plans with provisions that change from a specified number of days per year to a specified number of days per absence after a certain service period.

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

Table 22. Paid annual sick leave: Average number of days at full pay for full-time participants, small establishments, 1990

Item	All participants	Professional, technical, and related participants	Clerical and sales participants	Production and service participants
Paid annual sick leave ¹ by length of service:				
At 1 year	8.5	11.2	8.3	6.6
At 3 years	10.2	13.9	10.1	7.2
At 5 years	11.5	14.7	12.1	8.0
At 10 years	13.0	15.4	14.8	8.7
At 15 years	14.0	16.0	16.4	9.1
At 20 years	14.6	16.5	17.2	9.5
At 25 years ²	14.9	16.8	17.6	9.8

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

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

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

Table 23. Paid annual sick leave:¹ Average number of days at full pay for full-time participants by accumulation policy, small establishments, 1990

Item	All participants	Professional, technical, and related participants	Clerical and sales participants	Production and service participants
At 1 year of service				
Cumulative plan	8.8	10.0	8.4	8.0
Noncumulative plan	8.3	12.3	8.2	5.8
At 3 years of service				
Cumulative plan	9.3	10.2	9.1	8.5
Noncumulative plan	10.8	17.5	10.7	6.6
At 5 years of service				
Cumulative plan	9.7	10.3	9.8	8.9
Noncumulative plan	12.7	19.0	13.6	7.6
At 10 years of service				
Cumulative plan	10.3	10.5	10.6	9.6
Noncumulative plan	14.9	20.2	17.5	8.3
At 15 years of service				
Cumulative plan	10.5	10.6	11.1	9.7
Noncumulative plan	16.2	21.2	19.7	8.8
At 20 years of service				
Cumulative plan	10.8	10.7	11.5	9.8
Noncumulative plan	17.1	22.1	20.7	9.4
At 25 years of service ²				
Cumulative plan	10.9	10.8	11.8	9.8
Noncumulative plan	17.5	22.7	21.2	9.8

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

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

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

Table 24. Paid annual sick leave:¹ Average number of days at full pay for full-time participants by sickness and accident insurance coordination, small establishments, 1990

Item	All participants	Professional, technical, and related participants	Clerical and sales participants	Production and service participants
At 1 year of service:				
With sickness and accident insurance	6.4	7.0	6.8	5.6
Without sickness and accident insurance	9.4	12.7	8.9	7.0
At 3 years of service:				
With sickness and accident insurance	6.9	7.2	7.6	5.9
Without sickness and accident insurance	11.6	16.3	11.2	8.0
At 5 years of service:				
With sickness and accident insurance	7.5	7.7	8.6	6.1
Without sickness and accident insurance	13.3	17.3	13.6	9.0
At 10 years of service:				
With sickness and accident insurance	8.0	8.0	9.6	6.3
Without sickness and accident insurance	15.2	18.1	17.0	9.9
At 15 years of service:				
With sickness and accident insurance	8.4	8.2	10.3	6.4
Without sickness and accident insurance	16.3	18.8	18.9	10.5
At 20 years of service:				
With sickness and accident insurance	8.7	8.4	10.9	6.5
Without sickness and accident insurance	17.1	19.4	19.8	11.1
At 25 years of service²				
With sickness and accident insurance	9.0	8.6	11.4	6.6
Without sickness and accident insurance	17.5	19.8	20.2	11.4

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

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

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

Table 25. Paid annual sick leave:¹ Percent of full-time participants by unused sick leave policy and carryover provisions, small establishments, 1990

Unused sick leave policy and carryover provisions	All participants	Professional, technical, and related participants	Clerical and sales participants	Production and service participants
Unused sick leave policy				
Total	100	100	100	100
Carryover only	31	41	29	27
Cash-in only	13	7	14	18
Carryover and cash-in	8	7	8	7
Unused benefit lost	47	45	49	48
Data not available	(²)	-	1	(²)
Carryover provisions				
Total	100	100	100	100
Unlimited accumulation	32	35	27	34
Limit on total number of days accumulated	66	65	72	60
Under 10 days	3	3	3	5
10 days	5	3	8	5
11 - 19 days	9	8	8	10
20 days	2	2	2	3
21 - 24 days	1	1	(²)	1
25 days	1	1	1	2
26 - 29 days	(²)	(²)	(²)	(²)
30 - 39 days	11	8	13	11
40 - 49 days	3	6	1	1
50 days	1	1	1	1
51 - 64 days	6	4	4	11
65 days	1	1	1	1
66 - 79 days	(²)	(²)	1	(²)
80 - 89 days	(²)	-	1	1
90 - 99 days	15	21	16	7
100 - 109 days	1	1	2	(²)
110 - 119 days	(²)	(²)	-	-
120 - 129 days	(²)	(²)	(²)	(²)
130 days	4	3	7	(²)
Over 130 days	1	1	2	1
Days not available	1	(²)	1	(²)
Data not available	2	(²)	1	5

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

² Less than 0.5 percent.

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

Table 26. Sickness and accident insurance: Percent of full-time participants by type and duration of payments, small establishments, 1990

Type of payment	Total	Maximum weeks of coverage							Varies by service
		Less than 13	13	14-25	26	27-51	52	Over 52	
All participants									
All types	100	2	16	3	73	1	3	1	1
Fixed percent of earnings	66	1	8	2	52	0	1	1	1
Less than 50	(0)	-	-	-	(0)	(0)	-	-	-
50	31	0	1	1	29	-	0	-	0
60	11	0	5	0	4	0	1	0	-
66	(0)	-	-	-	(0)	-	-	-	-
67	18	1	1	0	15	-	-	0	0
70	2	-	1	-	1	-	-	0	0
75	1	-	0	0	0	-	0	0	0
80	(0)	-	-	0	-	-	-	0	-
Other percent	3	-	-	1	2	-	-	-	0
Percent of earnings varies	2	0	0	-	1	0	-	-	0
By service	1	-	0	-	1	0	-	-	0
By length of disability	(0)	0	-	-	0	-	-	-	0
By both service and length of disability	(0)	-	0	-	0	-	-	-	0
Fixed weekly dollar benefit	30	1	7	1	19	0	2	-	-
Less than \$60	2	-	1	-	1	-	-	-	-
\$60-\$79	3	-	2	0	1	-	1	-	-
\$80-\$99	1	-	0	-	0	-	-	-	-
\$100-\$119	9	-	2	0	7	-	0	-	-
\$120-\$139	3	0	1	0	2	0	-	-	-
\$140-\$159	5	0	1	0	4	0	-	-	-
\$160-\$179	3	-	-	-	2	0	0	-	-
\$180-\$199	1	-	-	-	1	-	0	-	-
\$200-\$219	1	-	-	0	1	-	-	-	-
\$220 or more	2	1	1	-	1	-	0	-	-
Weekly dollar benefit varies	2	-	0	-	1	-	0	0	-
By earnings	1	-	0	-	1	-	0	0	-
By service or length of disability	(0)	-	-	-	-	-	0	0	-
Professional, technical, and related									
All types	100	3	13	9	70	1	3	1	1
Fixed percent of earnings	83	1	11	9	58	0	2	1	1
50	38	1	0	2	36	-	0	-	-
60	13	-	7	0	4	0	2	-	-
66	(0)	-	-	-	0	-	-	-	-
67	19	1	2	1	14	-	-	0	1
70	4	-	2	-	2	-	-	1	-
75	(0)	-	-	-	-	-	-	-	-
80	(0)	-	-	0	-	-	-	-	-
Other percent	8	-	-	5	3	-	-	-	-
Percent of earnings varies	2	1	0	-	0	-	-	-	0
By service	1	-	0	-	0	-	-	-	0
By length of disability	1	1	-	-	0	-	-	-	-
By both service and length of disability	(0)	-	0	-	0	-	-	-	-

See footnotes at end of table.

Table 26. Sickness and accident insurance: Percent of full-time participants by type and duration of payments, small establishments, 1990—Continued

Type of payment	Total	Maximum weeks of coverage							Varies by service
		Less than 13	13	14-25	26	27-51	52	Over 52	
Professional, technical, and related—Continued									
Fixed weekly dollar benefit	15	1	1	0	11	1	1	-	-
Less than \$60	1	-	0	-	0	-	-	-	-
\$60-\$79	1	-	1	-	0	-	-	-	-
\$80-\$99	0	-	-	-	0	-	-	-	-
\$100-\$119	7	-	0	-	5	-	1	-	-
\$120-\$139	0	-	-	0	-	-	-	-	-
\$140-\$159	2	-	0	-	1	1	-	-	-
\$160-\$179	0	-	-	-	0	-	-	-	-
\$180-\$199	1	-	-	-	1	-	-	-	-
\$200-\$219	1	-	-	0	1	-	-	-	-
\$220 or more	2	1	-	-	1	-	0	-	-
Weekly dollar benefit varies	0	-	-	-	0	-	-	-	-
By earnings	0	-	-	-	0	-	-	-	-
Clerical and sales									
All types	100	3	14	4	74	1	3	2	1
Fixed percent of earnings	76	1	9	2	61	1	1	1	0
Less than 50	0	-	-	-	-	0	-	-	0
50	35	0	0	1	33	-	-	-	0
60	15	-	7	0	6	1	1	0	0
66	0	-	-	-	0	-	-	-	0
67	21	1	1	-	18	-	-	1	0
70	2	-	0	-	1	-	-	-	0
75	0	-	0	-	-	-	-	0	0
80	0	-	-	0	-	-	-	0	0
Other percent	3	-	-	-	3	-	-	-	0
Percent of earnings varies	3	0	0	-	2	-	-	-	1
By service	2	0	0	-	1	-	-	-	1
By length of disability	1	0	-	-	0	-	-	-	-
By both service and length of disability	0	-	0	-	0	-	-	-	0
Fixed weekly dollar benefit	20	1	4	2	11	-	1	-	-
Less than \$60	3	-	2	-	2	-	-	-	-
\$60-\$79	1	-	1	-	1	-	-	-	-
\$80-\$99	0	-	-	-	0	-	-	-	-
\$100-\$119	6	-	1	1	3	-	1	-	-
\$120-\$139	2	0	0	1	1	-	-	-	-
\$140-\$159	2	0	0	-	2	-	-	-	-
\$160-\$179	1	-	-	-	1	-	-	-	-
\$180-\$199	1	-	-	-	1	-	0	-	-
\$200-\$219	1	-	-	-	1	-	-	-	-
\$220 or more	2	1	0	-	0	-	0	-	-
Weekly dollar benefit varies	2	-	0	-	1	-	0	0	-
By earnings	1	-	0	-	1	-	-	0	-
By service or length of disability	0	-	-	-	-	-	0	0	-

See footnotes at end of table.

Table 26. Sickness and accident insurance: Percent of full-time participants by type and duration of payments, small establishments, 1990—Continued

Type of payment	Total	Maximum weeks of coverage							Varies by service
		Less than 13	13	14-25	26	27-51	52	Over 52	
Production and service									
All types	100	2	17	1	74	1	3	(¹)	1
Fixed percent of earnings	55	2	6	(¹)	45	(¹)	1	(¹)	1
Less than 50	(¹)	-	-	-	(¹)	(¹)	-	-	-
50	27	(¹)	1	(¹)	25	-	-	-	1
60	8	1	4	-	4	-	(¹)	-	-
66	(¹)	-	-	-	(¹)	-	-	-	-
67	16	1	1	(¹)	14	-	-	-	(¹)
70	2	-	1	-	1	-	-	-	-
75	1	-	(¹)	-	(¹)	-	(¹)	(¹)	-
80	(¹)	-	-	(¹)	-	-	-	-	-
Other percent	1	-	-	-	1	-	-	-	(¹)
Percent of earnings varies	2	(¹)	(¹)	-	1	(¹)	-	-	(¹)
By service	1	-	(¹)	-	1	(¹)	-	-	(¹)
By length of disability	(¹)	(¹)	-	-	-	-	-	-	-
By both service and length of disability	(¹)	-	-	-	-	-	-	-	(¹)
Fixed weekly dollar benefit	41	(¹)	11	1	26	(¹)	2	-	-
Less than \$60	2	-	1	-	1	-	-	-	-
\$60-\$79	4	-	2	(¹)	1	-	1	-	-
\$80-\$99	1	-	1	-	(¹)	-	-	-	-
\$100-\$119	12	-	3	(¹)	9	-	(¹)	-	-
\$120-\$139	5	(¹)	1	(¹)	3	(¹)	-	-	-
\$140-\$159	7	-	1	(¹)	6	-	-	-	-
\$160-\$179	4	-	-	-	3	(¹)	1	-	-
\$180-\$199	2	-	-	-	2	-	(¹)	-	-
\$200-\$219	2	-	-	(¹)	1	-	-	-	-
\$220 or more	3	(¹)	2	-	1	-	(¹)	-	-
Weekly dollar benefit varies	2	-	(¹)	-	1	-	(¹)	(¹)	-
By earnings	2	-	(¹)	-	1	-	(¹)	(¹)	-
By service or length of disability	(¹)	-	-	-	-	-	-	(¹)	-

¹ Less than 0.5 percent.

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

Table 27. Sickness and accident insurance: Percent of full-time participants with benefits based on percent of earnings formula by maximum weekly benefit, small establishments, 1990

Type of payment	Total	Maximum weekly benefit											No maximum
		Total with maximum	Less than \$100	\$100 to \$119	\$120 to \$139	\$140 to \$159	\$160 to \$199	\$200 to \$249	\$250 to \$299	\$300 to \$349	\$350 to \$399	\$400 or more	
All participants													
Total	100	80	(¹)	2	(¹)	1	39	4	21	3	1	8	20
Fixed percent of earnings	97	80	(¹)	2	(¹)	1	39	4	21	3	1	8	18
Less than 50	(¹)	-	-	-	-	-	-	-	-	-	-	-	(¹)
50	46	43	-	1	-	(¹)	39	1	1	2	-	(¹)	3
60	16	8	(¹)	(¹)	(¹)	(¹)	(¹)	1	2	(¹)	-	4	9
66	(¹)	(¹)	-	-	(¹)	-	-	-	-	(¹)	-	-	-
67	26	23	-	1	-	1	-	1	17	1	(¹)	3	3
70	3	2	-	-	-	-	-	(¹)	1	1	-	(¹)	1
75	1	(¹)	-	-	-	-	-	(¹)	(¹)	-	-	-	(¹)
80	(¹)	-	-	-	-	-	-	-	-	-	-	-	(¹)
Other percent	4	4	-	-	-	1	-	2	(¹)	-	(¹)	1	(¹)
Percent of earnings varies	3	1	-	(¹)	-	-	-	-	(¹)	-	-	(¹)	2
Professional, technical, and related													
Total	100	80	-	1	(¹)	1	37	5	17	5	-	14	20
Fixed percent of earnings	98	80	-	1	(¹)	1	37	5	17	5	-	14	18
Less than 50	-	-	-	-	-	-	-	-	-	-	-	-	-
50	45	42	-	-	-	-	37	1	4	-	-	(¹)	4
60	16	7	-	-	(¹)	-	-	1	-	(¹)	-	5	9
66	(¹)	(¹)	-	-	(¹)	-	-	-	-	(¹)	-	-	-
67	22	18	-	1	-	1	-	(¹)	12	2	-	2	4
70	5	4	-	-	-	-	-	-	(¹)	3	-	1	1
75	(¹)	-	-	-	-	-	-	-	-	-	-	-	(¹)
80	(¹)	-	-	-	-	-	-	-	-	-	-	-	(¹)
Other percent	9	9	-	-	-	-	-	3	(¹)	-	-	6	-
Percent of earnings varies	2	(¹)	-	-	-	-	-	-	-	-	-	(¹)	2
Clerical and sales													
Total	100	77	-	1	(¹)	2	40	5	21	1	-	8	23
Fixed percent of earnings	96	76	-	1	(¹)	2	40	5	21	1	-	8	20
Less than 50	(¹)	-	-	-	-	-	-	-	-	-	-	-	(¹)
50	44	40	-	-	-	(¹)	39	1	-	-	-	(¹)	3
60	19	9	-	(¹)	(¹)	1	1	1	2	-	-	4	10
66	(¹)	(¹)	-	-	(¹)	-	-	-	-	-	-	-	-
67	27	23	-	1	-	-	-	(¹)	18	(¹)	-	3	4
70	2	1	-	-	-	-	-	(¹)	(¹)	1	-	-	1
75	(¹)	-	-	-	-	-	-	-	-	-	-	-	(¹)
80	1	-	-	-	-	-	-	-	-	-	-	-	(¹)
Other percent	4	3	-	-	-	1	-	3	-	-	-	-	(¹)
Percent of earnings varies	4	(¹)	-	-	-	-	-	-	(¹)	-	-	(¹)	3

See footnotes at end of table.

Table 27. Sickness and accident insurance: Percent of full-time participants with benefits based on percent of earnings formula by maximum weekly benefit, small establishments, 1990—Continued

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	
Production and service													
Total	100	83	1	3	-	2	40	3	23	4	2	6	17
Fixed percent of earnings	97	82	1	3	-	2	40	3	22	4	2	6	15
Less than 50	1	-	-	-	-	-	-	-	-	-	-	-	1
50	48	46	-	1	-	(¹)	40	1	-	4	-	-	2
60	15	7	1	(¹)	-	-	-	(¹)	3	-	-	3	8
66	(¹)	(¹)	-	-	-	-	-	-	-	(¹)	-	-	-
67	28	25	-	1	-	1	-	1	18	1	1	2	2
70	3	2	-	-	-	-	-	(¹)	1	(¹)	-	1	1
75	1	1	-	-	-	-	-	1	(¹)	-	-	-	1
80	(¹)	-	-	-	-	-	-	-	-	-	-	-	(¹)
Other percent	2	1	-	-	-	1	-	-	-	-	1	-	1
Percent of earnings varies	3	1	-	1	-	-	-	-	(¹)	-	-	(¹)	2

¹ Less than 0.5 percent.

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

Table 28. Sickness and accident insurance: Percent of full-time participants by length-of-service requirements for participation,¹ small establishments, 1990

Length-of-service requirement	All participants	Professional, technical, and related participants	Clerical and sales participants	Production and service participants
Total	100	100	100	100
With service requirement	76	66	77	78
1 month	38	44	40	36
2 months	5	2	3	7
3 months	12	7	12	13
4-5 months	13	10	14	13
6 months	3	1	2	3
1 year	5	1	5	7
Over 1 year	1	1	2	(¹)
Without service requirement	22	33	21	19
Service requirement not determinable	2	1	1	3

¹ 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.

² Less than 0.5 percent.

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

Table 29. Long-term disability insurance: Percent of full-time participants by method of determining payment, small establishments, 1990

Method	Total	With maximum coverage	Type of maximum provision			Without maximum coverage
			Plan maximum only ¹	Disability income maximum only ²	Plan and disability income maximum	
All participants						
All methods	100	84	48	10	26	16
Fixed percent of earnings	87	78	47	6	26	8
Less than 50 percent	2	2	-	-	2	(³)
50 percent	8	6	3	2	1	2
55 percent	1	(³)	-	(³)	-	(³)
60 percent	60	55	31	3	21	5
65 or 67 percent	16	14	11	1	2	2
70 percent	1	1	1	-	1	-
More than 70 percent	(³)	-	-	-	-	(³)
Percent varies by earnings	6	2	1	1	(³)	4
Percent varies by service	(³)	(³)	(³)	(³)	-	-
Scheduled dollar amount varies by earnings	(³)	(³)	(³)	(³)	-	-
Other ⁴	4	3	-	3	-	1
Not determinable	2	-	-	-	-	2
Professional, technical, and related						
All methods	100	88	56	8	24	12
Fixed percent of earnings	88	83	54	6	24	5
Less than 50 percent	2	2	-	-	2	-
50 percent	6	5	3	1	1	1
55 percent	1	(³)	-	(³)	-	(³)
60 percent	59	57	37	3	17	2
65 or 67 percent	18	17	13	1	3	2
70 percent	2	2	1	-	1	-
Percent varies by earnings	8	2	2	(³)	(³)	6
Percent varies by service	(³)	(³)	(³)	(³)	-	-
Scheduled dollar amount varies by earnings	(³)	(³)	(³)	(³)	-	-
Other ⁴	3	2	-	2	-	1
Not determinable	1	-	-	-	-	1

See footnotes at end of table.

Table 29. Long-term disability insurance: Percent of full-time participants by method of determining payment, small establishments, 1990—Continued

Method	Total	With maximum coverage	Type of maximum provision			Without maximum coverage
			Plan maximum only ¹	Disability income maximum only ²	Plan and disability income maximum	
Clerical and sales						
All methods	100	84	41	12	31	16
Fixed percent of earnings	89	78	41	7	30	11
Less than 50 percent	2	2	-	-	2	(³)
50 percent	6	5	1	2	2	2
55 percent	1	(³)	-	(³)	-	1
60 percent	65	59	30	4	25	6
65 or 67 percent	13	11	9	1	1	2
70 percent	1	1	1	-	(³)	-
More than 70 percent	(³)	-	-	-	-	(³)
Percent varies by earnings	3	1	(³)	(³)	1	2
Percent varies by service	(³)	(³)	(³)	(³)	-	-
Scheduled dollar amount varies by earnings	(³)	(³)	(³)	(³)	-	-
Other ⁴	5	4	-	4	-	1
Not determinable	2	-	-	-	-	2
Production and service						
All methods	100	77	49	7	21	23
Fixed percent of earnings	83	73	46	5	21	10
Less than 50 percent	1	1	-	-	1	1
50 percent	12	10	8	1	(³)	2
55 percent	(³)	(³)	-	(³)	-	-
60 percent	53	47	25	2	20	7
65 or 67 percent	16	15	13	1	1	1
70 percent	(³)	(³)	(³)	-	-	-
Percent varies by earnings	10	3	2	2	-	6
Scheduled dollar amount varies by earnings	1	1	1	-	-	-
Other ⁴	4	(³)	-	(³)	-	3
Not determinable	3	-	-	-	-	3

¹ Includes flat dollar maximums and dollar maximums that vary by years of service.

² 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.

³ Less than 0.5 percent.

⁴ 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, small establishments, 1990

Type of payment	Total	Total with maximum ¹	Maximum monthly benefit										No maximum payment
			\$1500 or less	\$1501-\$2000	\$2001-\$2500	\$2501-\$3000	\$3001-\$3500	\$3501-\$4000	\$4001-\$5000	\$5001-\$7500	\$7501-\$10,000	\$10,001 or more	
All participants													
Total	100	79	7	5	9	12	2	4	18	11	10	2	21
Fixed percent of earnings	93	77	7	5	9	12	2	4	18	11	10	1	16
Less than 50 percent	2	2	1	(²)	-	-	-	-	-	-	-	-	(²)
50 percent	8	5	(²)	(²)	2	-	(²)	1	(²)	1	1	(²)	3
55 percent	1	-	-	-	-	-	-	-	-	-	-	-	1
60 percent	64	56	4	3	5	10	2	2	13	9	7	1	8
65 or 67 percent	17	14	2	2	1	1	-	1	3	1	3	(²)	3
70 percent	1	1	-	-	-	1	-	-	(²)	(²)	-	(²)	-
More than 70 percent	(²)	-	-	-	-	-	-	-	-	-	-	-	(²)
Percent varies by earnings	7	2	-	(²)	-	-	-	-	-	(²)	-	1	5
Percent varies by service	(²)	(²)	-	-	-	-	-	-	(²)	-	-	-	(²)
Professional, technical, and related													
Total	100	82	9	5	5	14	1	2	19	12	11	3	18
Fixed percent of earnings	91	80	9	5	5	14	1	2	19	12	11	1	11
Less than 50 percent	2	2	2	(²)	-	-	-	-	-	-	-	-	-
50 percent	6	4	-	(²)	2	-	(²)	1	(²)	1	1	(²)	2
55 percent	1	-	-	-	-	-	-	-	-	-	-	-	1
60 percent	61	56	5	4	3	11	1	1	14	10	6	1	5
65 or 67 percent	19	16	2	1	1	1	-	1	5	1	5	(²)	3
70 percent	2	2	-	-	-	1	-	-	(²)	(²)	-	(²)	-
Percent varies by earnings	8	2	-	-	-	-	-	-	-	-	-	2	6
Percent varies by service	(²)	(²)	-	-	-	-	-	-	(²)	-	-	-	(²)

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, small establishments, 1990—Continued

Type of payment	Total	Total with maximum ¹	Maximum monthly benefit										No maximum payment
			\$1500 or less	\$1501-\$2000	\$2001-\$2500	\$2501-\$3000	\$3001-\$3500	\$3501-\$4000	\$4001-\$5000	\$5001-\$7500	\$7501-\$10,000	\$10,001 or more	
Clerical and sales													
Total	100	78	5	5	6	12	2	4	21	9	11	1	22
Fixed percent of earnings	96	77	5	5	6	12	2	4	21	9	11	(²)	19
Less than 50 percent	2	2	1	(²)	-	-	-	-	-	-	-	-	(²)
50 percent	7	3	-	(²)	(²)	-	(²)	1	1	(²)	1	(²)	4
55 percent	1	-	-	-	-	-	-	-	-	-	-	-	1
60 percent	71	60	3	3	5	11	2	3	17	7	9	(²)	11
65 or 67 percent	14	11	(²)	1	1	1	-	1	3	1	2	(²)	3
70 percent	1	1	-	-	-	(²)	-	-	1	(²)	-	(²)	-
More than 70 percent	(²)	-	-	-	-	-	-	-	-	-	-	-	(²)
Percent varies by earnings	4	1	-	-	-	-	-	-	-	(²)	-	1	3
Percent varies by service	1	(²)	-	-	-	-	-	-	(²)	-	-	-	(²)
Production and service													
Total	100	76	7	6	17	10	3	5	10	11	6	1	24
Fixed percent of earnings	90	74	7	4	17	10	3	5	10	11	6	1	16
Less than 50 percent	2	1	(²)	(²)	-	-	-	-	-	-	-	-	1
50 percent	13	9	1	(²)	6	-	-	2	-	1	-	-	4
55 percent	(²)	-	-	-	-	-	-	-	-	-	-	-	(²)
60 percent	58	49	3	(²)	8	8	3	3	7	10	6	1	9
65 or 67 percent	17	15	3	3	4	2	-	(²)	2	-	1	-	2
70 percent	(²)	(²)	-	-	-	-	-	-	(²)	-	-	-	-
Percent varies by earnings	10	2	-	2	-	-	-	-	-	-	-	-	8

¹ 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.

² Less than 0.5 percent.

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

Table 31. Long-term disability insurance: Percent of full-time participants by benefit waiting period,¹ small establishments, 1990

Length of waiting period	All participants	Professional, technical, and related participants	Clerical and sales participants	Production and service participants
Total	100	100	100	100
Less than 3 months	6	8	5	3
3 months	40	38	40	43
4-5 months	4	3	5	4
6 months	41	44	40	38
7-11 months	1	1	2	-
1 year or more	2	2	1	1
Varies by service ²	2	1	1	5
Not determinable	4	3	5	5

¹ Length of time between onset of disability and beginning of LTD payments.

² 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 32. Long-term disability insurance: Percent of full-time participants by duration of benefits, small establishments, 1990

Duration	All participants	Professional, technical, and related participants	Clerical and sales participants	Production and service participants
Total	100	100	100	100
For life	7	5	9	5
To retirement age	21	23	19	20
Varies by age when disability occurs ¹	67	68	66	66
One-time reduction	17	14	21	13
Gradual reduction	50	55	45	53
Varies by type of disability ²	2	2	1	4
Other ³	(⁴)	(⁴)	1	(⁴)
Provision not determinable	3	1	3	4

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

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

³ Includes durations that vary by length of service.

⁴ Less than 0.5 percent.

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

Table 33. Long-term disability insurance: Percent of full-time participants by length-of-service requirements for participation, small establishments, 1990

Length-of-service requirement	All participants	Professional, technical, and related participants	Clerical and sales participants	Production and service participants
Total	100	100	100	100
With service requirement	54	47	54	61
1 month	18	14	19	22
2 months	3	2	3	4
3 months	11	12	13	6
6 months	12	9	11	16
1 year	6	6	5	7
Over 1 year and under 2 years ...	(²)	1	-	1
2 years	1	1	1	2
3 years	1	1	(²)	(²)
Over 3 years	2	1	2	3
Without service requirement	39	45	39	31
Service requirement not determinable	7	8	7	8

¹ 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.

² Less than 0.5 percent.

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

Table 34. Long-term disability insurance: Percent of full-time participants by coverage for mental illness, small establishments, 1990

Item	All participants	Professional, technical, and related participants	Clerical and sales participants	Production and service participants
Total	100	100	100	100
With coverage for mental illness	51	54	50	51
Without limits	8	6	8	8
Benefits limited	44	47	42	43
No coverage for mental illness	47	44	49	49
Coverage not determinable	1	2	1	(¹)

¹ Less than 0.5 percent.

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

Table 35. Long-term disability insurance: Percent of full-time participants by provision for survivor benefits, small establishments, 1990

Type of annuity for surviving spouse	All participants	Professional, technical, and related participants	Clerical and sales participants	Production and service participants
Total	100	100	100	100
With survivor benefits	48	46	45	55
Lump sum payment	34	34	30	41
Percent of monthly benefit ¹	14	12	15	14
No survivor benefits	51	53	54	44
Benefit not determinable	1	1	2	1

¹ Benefits are payable for a limited time period, typically 6 months.

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

Chapter 4. Medical, Dental, and Vision Care

Medical care was one of the most prevalent benefits provided to full-time employees of small establishments in 1990. Medical care benefits were provided to seven-tenths of full-time employees, while dental care was available to three-tenths of employees.

The 1990 data for small establishments revealed substantial variations in the incidence of coverage for medical and dental care benefits among occupational groups. Professional, technical, and related employees were the group with the highest percent of employees covered for medical and dental care, 82 percent and 38 percent respectively, while production and service employees had the least extensive coverage—60 and 24 percent, respectively.

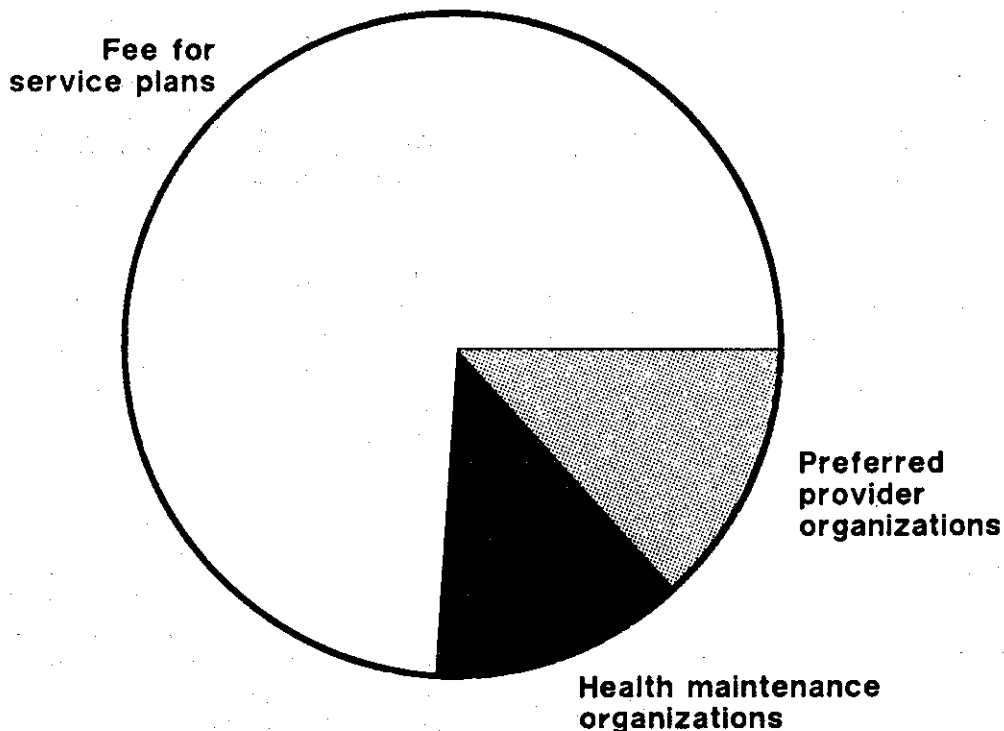
Medical Care

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

Coverage of selected categories of medical care

All of the participants in medical care plans had coverage for such major categories of care as hospital room and board, physicians visits in the hospital, surgery, and

Chart 1. Medical care benefits: Percent of full-time participants by type of fee arrangement, small establishments, 1990



X-ray and laboratory services (table 36). With few exceptions, coverage included physicians' office visits, mental health conditions, and out-of-hospital prescription drugs. Virtually all participants were covered by inpatient alcohol and drug detoxification benefits. Coverage was somewhat less extensive for inpatient and outpatient substance abuse rehabilitation benefits.

Among benefits less frequently provided were hearing care (16 percent), routine physical exams (26 percent), well-baby care (32 percent), and immunizations and inoculations (23 percent).

Funding arrangements

In 1990, three-fourths of full-time medical plan participants in small establishments were covered by a fee-for-service medical plan (table 37). These plans pay for specific medical procedures as expenses are incurred. There are three major arrangements for financing plan benefits: self-insured plans, commercially insured plans, and Blue Cross/Blue Shield plans, each covering approximately one-third of the fee-for-service plan participants. Self-insured plans (where the plan sponsor—typically the employer—bore the financial risk for making plan payments) covered one-fourth of fee-for-service participants in small establishments.

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

Fourteen percent of medical care participants covered by the survey were enrolled in health maintenance organizations (HMO's). HMO's provide a prescribed set of benefits to enrollees for a fixed payment. The HMO thus bears the risk associated with delivering care.¹²

HMO's are classified in this survey as either the group/staff type, with services provided in central facilities, or as individual practice associations (IPA's), with providers working from their own offices. The following tabulation shows the percent of HMO participants by type of plan for small establishments in 1990:

Plan type	Percent of participants
Group/staff	63
Individual Practice Association	34
Combination	4

HMO plans rarely had an open enrollment option. In such plans, an enrollee has the ability to use health care providers outside of the HMO, although reimbursement of

expenses is less than if the HMO providers are used.

Payment arrangements

Medical plan provisions were examined to determine the extent of coverage for each type of medical service. In this survey, each category of medical care is classified under one of four payment arrangements: Full coverage, coverage with internal (separate) limitations only, coverage with overall limitations only, or coverage with internal and overall limitations (table 36).

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

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

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

HMO's generally do not impose any overall limits on the benefits they provide. Traditional fee-for-service plans, on the other hand, almost always impose overall limitations on their benefits. The most common type of payment arrangement in fee-for-service plans is coverage subject to overall limitations only. Under such an arrangement, the employee must satisfy the deductible and meet the coinsurance requirement before any benefits are paid. Nearly three-fifths of all participants in plans with hospital room and board benefits had coverage subject to overall limitations only. Other services for which the majority of plan participants had coverage subject to overall limits only were physicians' office visits, in-hospital physician services, diagnostic X-rays and laboratory services, outpatient prescription drugs, inpatient surgery, and outpatient surgery.

The predominance of fee-for-service plans with coverage subject to overall limits only is at least partly the result of rapidly growing costs of medical care throughout the

¹² For a more detailed discussion on HMO's, see Thomas P. Burke and Rita S. Jain, "Trends in Employer-provided Health Care Benefits," *Monthly Labor Review*, February 1991, pp. 24-30.

1980's. Between 1979 and 1989, the price of all medical care rose 119 percent, as measured by the Bureau's Consumer Price Index. During the same period, the Consumer Price Index for all items rose 64 percent. First dollar coverage, where benefits up to a certain dollar amount or day limit are covered in full, without any overall limits imposed, has become less prominent as medical care costs continue to rise.

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

Plans with overall limitations nearly always require a participant to meet a specified deductible before eligibility for benefit payments. This approach is designed to discourage unnecessary use of medical services. In 1990, nearly nine-tenths of full-time participants were in plans with overall limits (tables 38 - 42). Almost all participants in plans with overall limitations were subject to an annual flat-dollar deductible. Of these participants, however, slightly more than one-tenth were in plans where the deductible did not apply to hospital room and board expenses.

The most prevalent individual annual deductible was \$100, accounting for about one-third of the participants subject to overall limits. Deductibles of \$200 and \$250 were also frequently observed. The average annual deductible in 1990 was \$197 for all workers.

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 5 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 medical expenses (usually 80 percent), with the employee paying the remainder (coinsurance). Less than one-tenth 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 percent of hospital expenses paid by the plan was generally higher, often 100 percent.

Nine out of 10 full-time participants subject to overall limitations were in plans where the coinsurance increased to 100 percent after the individual paid out a specified dollar amount for covered expenses (maximum out-of-pocket expense). Three-fourths of participants with overall limits had an annual individual out-of-pocket expense maximum of less than \$1,250. Maximum out-of-pocket ceilings were also specified for family expenses in plans covering nearly

three-fifths of participants with overall limitations. The annual maximum for out-of-pocket expenses for plan participants averaged \$934 for an individual and \$2,054 for a family.

Plans that required an annual deductible and placed a maximum on out-of-pocket expenses covered just under nine-tenths of the participants subject to overall limitations. The sum of these two items represents the total that the plan requires an individual to pay for covered medical expenses in a calendar year. In 1990, the annual deductible plus the annual out-of-pocket expense maximum averaged \$1,118 per individual.¹³

Plans with overall limitations often place a ceiling on the amount payable by the plan, usually a lifetime maximum. In 1990, seven-tenths of the participants in plans with overall limitations were affected by a lifetime maximum only. A maximum of \$1 million applied to the majority of these participants. A small proportion of participants were subject to a lifetime maximum of greater than \$1,000,000; the average of all maximums was \$949,348. Plans that did not impose a maximum on plan payments covered one-fourth of the participants subject to overall limitations.

Hospital coverage

All medical plan enrollees covered by the survey had benefit provisions for hospital room and board charges (table 43). Three-fifths of full-time participants were in plans where hospital room and board expenses were covered at a percentage of the semiprivate rate, frequently 80 percent. In these types of plans, the individual was typically subject to a yearly deductible before the percentage rate would go into effect. Nearly one-sixth of participants had hospital room and board expenses covered at the full semiprivate room rate for a limited period, followed by a percentage of the semiprivate room rate, almost always 80 percent.

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

Alternatives to hospitalization

To help hold down the costs of medical care, a number of plans provide coverage for less expensive alternatives to a hospital stay. These alternatives include extended care facilities, home health care, and hospices (table 36).

Coverage for stays in an extended care facility was available to slightly more than four-fifths of full-time participants. Extended care facilities provide skilled nursing care, rehabilitation, and convalescent services to patients requiring less intensive treatment than would otherwise be

¹³ 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.

provided in a hospital.

Home health care, providing skilled nursing care to patients through various nursing services in their own homes, was available to four-fifths of participants. This type of care saved on hospitalization expenses that would otherwise be needed.

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

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

Surgical coverage

Virtually all participants had medical plans that based payments for in-hospital surgery on the "usual, customary, and reasonable" (UCR) charges for the particular procedure performed.¹⁴

As was true with hospitalization, in-hospital surgical benefits were most likely to be covered at a specified percentage rate, usually after any required overall plan deductible. Slightly more than one-half of participants were covered at 80 percent of the UCR charges. Nearly one-fourth of participants were covered for the full UCR charges (tables 44-46).

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

Nearly three-fourths 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.

Seven-tenths of all enrollees in plans with surgical benefits had to satisfy a deductible for in-hospital procedures. When outpatient surgery was needed, however, just over one-half of these participants had a deductible requirement. Generally, when deductibles are not applicable for in-hospital surgery, neither are they applicable for outpatient procedures.

¹⁴ The "usual, customary, and reasonable" charge is defined as being not more than the physician's usual charge; within the customary range of fees charged in the locality; and reasonable, based on the medical circumstances.

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

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

The medical care plans examined in the survey treated maternity charges like other surgical charges. 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 more restrictive limitations than other illnesses (table 47). Of the medical care participants with mental health benefits, between eight- and nine-tenths had more restrictive hospital coverage for mental illness than for other ailments. Plans commonly limited the duration of hospital stays (often to 30 or 60 days per year for mental health care, compared to 120, 365, or unlimited days for other illnesses)¹⁵ and sometimes imposed a separate, lower, maximum on covered hospital expenses (such as a lifetime maximum of \$50,000 on all mental health benefits).

Even more restrictive was coverage for mental health care outside the hospital (psychiatric office visits). Nearly all participants with mental health care coverage were subject to special limits for outpatient care in 1990. Outpatient mental health care was commonly covered for fewer visits per year than other outpatient services, subject to special maximum dollar limits on annual payments, and covered at a coinsurance rate of 50 percent rather than the usual 80 percent paid by the plan for other illnesses. Also, outpatient mental health care expenses often could not be used to meet the employee's maximum out-of-pocket expense limitation. Therefore, reimbursement for these expenses did not increase to 100 percent even when the out-of-pocket expense limitation was met.¹⁶

Alcohol and drug abuse treatment

Alcohol and drug abuse treatment benefits covered nearly all full-time medical participants (tables 48-50). Seven out of 8 participants with alcohol benefits had their

¹⁵ In some plans, a limited number of days of mental health care in the hospital were covered at full semiprivate rate. After these limits were reached, mental health care was then subject to overall plan limits such as deductibles and coinsurances.

¹⁶ A detailed examination of mental health care provisions in employer-provided health care plans is provided by Allan P. Bostin in "Mental Health Benefits Financed By Employers," *Monthly Labor Review*, July 1987, pp. 23-27.

coverage treated the same as those for drug abuse treatment. Benefits provided under substance abuse care included both detoxification and rehabilitation. Detoxification involves supervised care by medical personnel designed to reduce or eliminate the symptoms of chemical dependency. Rehabilitation is designed to provide a variety of services intended to alter the behavior of substance abusers. Such services are generally provided once detoxification has been completed.

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

As was true with mental health care, plans were more restrictive in covering substance abuse treatment than other illnesses.¹⁷ Participants were more than twice as likely, however, to have inpatient detoxification treated the same as any other inpatient confinement (28 percent) than to have inpatient rehabilitation covered the same as any other illness (11 percent). Six percent of the participants with alcoholism treatment coverage had outpatient care treated the same as other conditions.

Specific limitations for substance abuse treatment most commonly included restrictions on the number of days of inpatient hospital care per year, the number of outpatient visits per year, reduced coinsurance levels for outpatient treatment, and maximum dollar amounts per year or per lifetime. A typical limitation on inpatient care was 30 days per year. Similarly, outpatient care might be restricted to 20 or 30 visits per year. Dollar maximums were often combined between inpatient and outpatient care, with \$50,000 per lifetime a common limit. Finally, limitations on days and dollars were often combined for alcohol and drug abuse care.¹⁸

Health maintenance organizations

Health maintenance organizations provide a fixed set of medical benefits for a prepaid fee. The survey tabulated the details of three categories of medical care provided by

¹⁷ The designation of substance abuse coverage as more restrictive than that for other illnesses results from a comparison of types of coverage. For instance, if a plan limits inpatient substance abuse care to 30 days per year but the limit on inpatient care of any other type of illness is greater than 30 days per year, that plan contains separate, more restrictive, limits.

¹⁸ For more detailed discussion of employer-provided substance abuse coverage, see Marc E. Kronson, "Substance Abuse Coverage Provided by Employer Medical Plans," *Monthly Labor Review*, April 1991, pp. 3-10.

HMO's—physicians' office visits, out-of-hospital prescription drugs, and extended care facilities. For physicians' office visits, the majority of HMO participants were required to pay a copayment, typically \$5 or greater per visit, before treatment was received. Most of the remaining participants received coverage in full. In general, HMO's did not limit the number of physicians' visits.

Out-of-hospital prescription drug benefits were nearly universally available to HMO participants; and two-thirds had to pay a copayment per prescription, commonly between \$3 and \$7. Finally, extended care treatment facility benefits were also almost always provided to HMO participants, most commonly with a limit on the number of days for which care was available.

Cost containment

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

Some advanced managed care programs can consist of four or more features: pre-admission review of all hospital admissions for non-emergency or non-maternity care, concurrent review to monitor care while hospitalized, discharge planning to coordinate a continued course of treatment in more appropriate health care settings, and mandatory second surgical opinions for certain selected procedures.

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

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

Increasingly, health maintenance organizations may require a separate deductible for hospital admission to discourage unnecessary hospitalization. These deductibles

were most commonly between \$50 and \$200 per hospital admission. In 1990, nearly one-fifth of HMO participants in small establishments had a separate hospital admission deductible.

Finally, some cost containment measures encouraged alternative means of obtaining prescription drugs. Nearly one-sixth of fee-for-service participants received higher reimbursement for obtaining generic rather than brand name prescription drugs. Mail order drugs were available to fewer than one-tenth of participants. In such arrangements, participants often receive a higher reimbursement or are charged less for mail order drugs than for drugs purchased over the counter.

Other medical benefits

The 1990 survey measured the incidence of several other services provided through medical care plans (table 52). For example, one-fourth of medical care participants were in plans that covered at least some of the costs for routine physical examinations and nearly three-tenths 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.¹⁹

Employee contributions

Nearly three-fifths of full-time participants had their individual medical coverage wholly financed by their employers in 1990. One-third of participants received fully paid family coverage (tables 53-55).

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. Where the amount was reported, employee premiums for individual and family coverage averaged \$25 and \$109 a month, respectively.

Employee medical care premiums showed some variation by type of plan. Slightly more than one-half of full-time participants in HMO's were required to contribute for single coverage and just over three-fourths for family coverage, compared to two-fifths and two-thirds, respectively, for non-HMO's. The average premiums for individual and family coverage were higher for participants in HMO's than for those in non-HMO's; in fact, average employee contributions for family coverage in HMO's were \$30 per month higher than in non-HMO's.

Of employees required to contribute toward the cost of their medical care coverage in 1990, about one-seventh

could do so with pretax dollars. These employees had the advantage of reducing their taxable income while purchasing medical coverage. Pretax contributions may be required or optional, and are often offered as part of a flexible benefits arrangement.

Participation requirements

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

Coverage for retired workers

Although the Consolidated Omnibus Budget Reconciliation Act of 1985 requires employers to continue health care benefits for employees who are retired, laid off, or otherwise separated from employment, workers may be charged all of the premium costs at group rates. In addition, the continuation period stipulated by the law is limited.²⁰

The survey of small establishments focused on coverage for retired employees that was financed wholly or partly by the employer (table 57).

Of the medical care participants in the survey, nearly one-sixth worked for employers who financed, at least in part, medical care protection after retirement. The vast majority of workers would receive post retirement coverage regardless of their age. Slightly over two-fifths of the workers in plans with employer-financed post retirement medical coverage did not have to meet eligibility requirements. Where an eligibility requirement was imposed, the requirement was usually either a stated length of service or qualification for the company pension plan.

The level of medical care coverage for 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.

Dental Care

Dental care benefits were available to three-tenth of full-time employees in small establishments in 1990 (tables 58-62). Dental care may be offered as part of a comprehen-

¹⁹ Under this act, an HMO must provide certain coverage, such as home health care, physical examinations, and children's eye and ear examinations. Under certain circumstances, employers may be required to offer employees medical care coverage through Federally qualified HMO's.

²⁰ 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.

sive 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. Two-fifths of all dental care participants were required to contribute toward the cost of their individual dental coverage, and nearly two-thirds were required to contribute for family coverage.

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.

Nearly seven-eighths of participants covered by dental care plans received benefits through a fee-for-service plan, which reimburses patients or providers only after services are received. Such plans were most commonly self-insured or obtained through a commercial insurer. The remaining participants had their dental benefits provided through either a Health Maintenance Organization or a Preferred Provider Organization option.

Dental plans typically cover preventive and restorative services, and nearly 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.²¹

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

Less than 1 out of 10 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. Orthodontia care was rarely subject to this type of schedule. Incentive schedules were rarely found in the survey. Under this arrangement,

²¹ 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.

the percent 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, a few plans required the participant to pay a deductible (usually \$50) only once while a member of the plan rather than every year.

Plans that limited the amount of payment each year by specifying an annual maximum benefit covered slightly over four-fifths 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 1990, the average lifetime orthodontia maximum was \$1,110.²²

Preauthorization clauses require participants to obtain authorization from the plan before undergoing expensive treatment. Nearly three-fifths 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.²³

Vision Care

Vision care coverage was available to one-tenth of full-time employees in small establishments in 1990.²⁴ Three-fourths of participants covered by vision care provisions received benefits through a fee-for-service plan, while one-eighth were provided benefits through an HMO.

All participants eligible for vision benefits had coverage for eyeglasses. With few exceptions, these participants were also covered for eye examinations. Coverage for contact lenses was somewhat less extensive than for either eye examinations or eyeglasses; seven out of eight vision care participants had coverage for contact lenses.

Medical care plans generally placed limits on vision care benefits. Typically, vision care participants had their coverage subject to a scheduled dollar allowance per benefit. For example, eye examinations had a dollar maximum per visit and various types of eyewear were subject to specific dollar ceilings. The majority of participants had this type

²² 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.

²³ For tabulation purposes, plans that provided only preventive dental care benefits were not included as having full dental care coverage. Data for preventive dental care benefits are found in table 52.

²⁴ Eyeglasses must be included for there to be vision care coverage. If the only benefit provided is eye examinations, then for tabulation purposes, there would be no vision care coverage.

of limit. Other plans required an employee copayment or offered a discount on the purchase of eyeglasses and contact lenses.

One-fifth of the vision care participants had eye examinations paid in full. Eyeglasses were covered in full for one-eighth of the participants, while contact lenses were rarely covered in full.

Finally, an eighth of the medical participants were cov-

ered for eye examinations only (table 52). This coverage was not part of a regular vision care plan. Such limited benefits were typically provided through the employee's HMO.²⁵

²⁵ For more details on vision care benefits, see Rita S. Jain, "Employer-sponsored vision care brought into focus," *Monthly Labor Review*, September 1988, pp. 19-23.

Table 36. Medical care benefits: Percent of full-time participants by coverage for selected categories of care, small establishments, 1990

Category of medical care	Total	Care provided					Care not provided ¹
		All	Covered in full	Subject to internal limits only ²	Subject to overall limits only ²	Subject to internal and overall limits	
All participants							
Hospital room and board	100	100	13	3	57	26	-
Hospitalization—miscellaneous services ⁴	100	100	13	3	58	26	-
Extended care facility ⁵	100	83	4	12	12	54	17
Home health care ⁵	100	79	14	7	16	42	21
Hospice	100	51	4	5	20	22	49
Surgery							
Inpatient	100	100	23	(⁶)	69	7	-
Outpatient ⁷	100	100	27	(⁶)	64	8	-
Physician visits							
In hospital	100	100	16	(⁶)	71	13	-
Office	100	100	5	11	76	7	(⁶)
Diagnostic X-ray and laboratory	100	100	21	1	67	11	-
Prescription drugs—nonhospital	100	96	2	20	64	10	4
Mental health care							
In hospital	100	98	1	17	8	72	2
Outpatient	100	96	(⁶)	17	1	77	4
Alcohol abuse treatment							
Inpatient detoxification ⁸	100	97	5	13	14	64	3
Inpatient rehabilitation ⁹	100	78	1	11	7	59	22
Outpatient rehabilitation ⁹	100	72	1	14	4	53	28
Drug abuse treatment							
Inpatient detoxification ⁸	100	94	5	13	12	63	6
Inpatient rehabilitation ⁹	100	73	1	11	4	57	27
Outpatient rehabilitation ⁹	100	68	1	13	3	51	32
Professional, technical, and related							
Hospital room and board	100	100	13	5	53	29	-
Hospitalization—miscellaneous services ⁴	100	100	13	5	53	28	-
Extended care facility ⁵	100	81	4	15	13	49	19
Home health care ⁵	100	81	17	4	18	41	19
Hospice	100	49	4	5	21	19	51
Surgery							
Inpatient	100	100	25	(⁶)	71	4	-
Outpatient ⁷	100	100	30	(⁶)	64	7	-
Physician visits							
In hospital	100	100	18	(⁶)	71	11	-
Office	100	100	6	13	72	9	-
Diagnostic X-ray and laboratory	100	100	22	1	67	10	-
Prescription drugs—nonhospital	100	97	3	21	62	11	3
Mental health care							
In hospital	100	98	1	19	7	71	2
Outpatient	100	94	(⁶)	20	(⁶)	74	6
Alcohol abuse treatment							
Inpatient detoxification ⁸	100	97	6	14	14	64	3
Inpatient rehabilitation ⁹	100	78	1	12	8	58	22
Outpatient rehabilitation ⁹	100	73	2	14	3	54	27
Drug abuse treatment							
Inpatient detoxification ⁸	100	94	5	14	12	63	6
Inpatient rehabilitation ⁹	100	73	1	12	4	57	27
Outpatient rehabilitation ⁹	100	67	1	14	2	49	33

See footnotes at end of table.

Table 36. Medical care benefits: Percent of full-time participants by coverage for selected categories of care, small establishments, 1990—Continued

Category of medical care	Total	Care provided					Care not provided ¹
		All	Covered in full	Subject to internal limits only ²	Subject to overall limits only ³	Subject to internal and overall limits	
Clerical and sales							
Hospital room and board	100	100	13	2	59	25	-
Hospitalization—miscellaneous services ⁴	100	100	13	2	59	25	-
Extended care facility ²	100	84	4	12	13	55	16
Home health care ⁵	100	82	13	7	17	45	18
Hospice	100	53	4	6	21	23	47
Surgery							
Inpatient	100	100	22	(⁶)	71	7	-
Outpatient ⁷	100	100	26	(⁶)	65	9	-
Physician visits							
In hospital	100	100	15	(⁶)	72	12	-
Office	100	100	4	11	79	6	-
Diagnostic X-ray and laboratory	100	100	20	1	69	11	-
Prescription drugs—nonhospital	100	97	2	21	64	11	3
Mental health care							
In hospital	100	98	2	14	9	74	2
Outpatient	100	96	(⁶)	16	1	78	4
Alcohol abuse treatment							
Inpatient detoxification ⁸	100	97	5	13	17	63	3
Inpatient rehabilitation ⁹	100	77	(⁶)	11	8	57	23
Outpatient rehabilitation ⁹	100	72	1	14	6	52	28
Drug abuse treatment							
Inpatient detoxification ⁸	100	94	4	13	14	62	6
Inpatient rehabilitation ⁹	100	73	1	11	5	56	27
Outpatient rehabilitation ⁹	100	68	1	13	4	50	32
Production and service							
Hospital room and board	100	100	13	3	58	25	-
Hospitalization—miscellaneous services ⁴	100	100	13	3	58	25	-
Extended care facility ²	100	82	5	11	11	55	18
Home health care ⁵	100	75	13	8	15	40	25
Hospice	100	50	3	5	20	22	50
Surgery							
Inpatient	100	100	23	(⁶)	68	9	-
Outpatient ⁷	100	100	27	(⁶)	64	8	-
Physician visits							
In hospital	100	100	17	1	69	13	-
Office	100	100	6	11	75	8	(⁶)
Diagnostic X-ray and laboratory	100	100	21	1	66	11	-
Prescription drugs—nonhospital	100	95	2	18	65	9	5
Mental health care							
In hospital	100	98	1	17	8	71	2
Outpatient	100	96	(⁶)	17	1	78	4
Alcohol abuse treatment							
Inpatient detoxification ⁸	100	97	5	13	13	65	3
Inpatient rehabilitation ⁹	100	78	1	11	6	60	22
Outpatient rehabilitation ⁹	100	72	1	13	4	55	28
Drug abuse treatment							
Inpatient detoxification ⁸	100	94	5	14	11	64	6
Inpatient rehabilitation ⁹	100	73	1	12	3	57	27
Outpatient rehabilitation ⁹	100	68	1	12	2	53	32

¹ 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.

² 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.

³ 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.

⁴ Services provided during a hospital confinement.

⁵ 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.

⁶ Less than 0.5 percent.

⁷ Charges incurred in the outpatient department of a hospital and outside of the hospital.

⁸ Detoxification is the systematic use of medication and other methods under medical supervision to reduce or eliminate the effects of substance abuse.

⁹ Rehabilitation is designed to alter abusive behavior in patients once they are free of acute physical and mental complications.

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

Table 37. Health care benefits: Percent of full-time participants by arrangement for payment to providers and type of financial intermediary, small establishments, 1990

Fee arrangement and financial intermediary	All participants			Professional, technical, and related participants			Clerical and sales participants			Production and service participants		
	Medical care ¹	Dental care	Vision care	Medical care ¹	Dental care	Vision care	Medical care ¹	Dental care	Vision care	Medical care ¹	Dental care	Vision care
Total	100	100	100	100	100	100	100	100	100	100	100	100
Traditional fee-for-service	74	85	75	69	85	78	77	88	66	73	82	79
No intermediary--self												
insured ²	25	38	35	21	38	40	27	41	33	25	35	34
Commercial insurance company	25	30	19	24	32	18	26	31	18	24	29	19
Blue Cross-Blue Shield	21	13	9	20	11	10	21	12	10	22	14	8
Independent organization	(³)	(³)	-	(³)	(³)	-	(³)	1	-	(³)	-	-
Medical or dental society	-	3	12	-	2	11	-	3	5	-	3	16
Other	(³)	(³)	1	(³)	-	-	-	-	-	1	(³)	1
Combined	2	(³)	-	2	(³)	-	3	1	-	1	(³)	-
Preferred provider organization ⁴	13	7	5	16	9	4	13	6	5	11	6	6
No intermediary--self												
insured ²	3	3	4	3	4	2	3	3	3	4	2	4
Commercial insurance company	6	1	(³)	9	2	2	7	2	1	5	(³)	-
Blue Cross-Blue Shield	3	1	-	4	1	-	3	(³)	-	3	1	-
Independent organization	(³)	1	-	(³)	-	-	(³)	(³)	-	(³)	1	-
Medical or dental society	(³)	1	1	-	2	1	(³)	1	2	(³)	1	2
Prepaid health maintenance organization ⁵	14	7	13	15	6	16	10	4	18	15	9	9
No intermediary--self												
insured ²	(³)	-	(³)	1	-	(³)	(³)	-	-	(³)	-	-
Commercial insurance company	2	1	1	2	1	4	1	1	(³)	2	2	-
Blue Cross-Blue Shield	1	-	2	1	-	2	1	-	3	1	-	2
Independent organization	10	6	9	12	5	9	8	3	14	11	8	5
Medical or dental society	-	-	(³)	-	-	(³)	-	-	(³)	-	-	-
Combined	(³)	-	1	(³)	-	-	(³)	-	-	(³)	-	2
Other ⁶	-	2	7	-	(³)	2	-	2	11	-	2	6

¹ Plans providing services or payments for services rendered in the hospital or by a physician.

² Includes plans that are financed on a pay-as-you-go basis, plans financed through contributions to a trust fund established to pay benefits, and plans operating their own facilities if at least partially financed by employer contributions. Includes plans that are administered by a commercial carrier through Administrative Services Only-Minimum Premium Plan (ASO-MPP) contracts and plans in which a commercial carrier provides protection only against extraordinary claims.

³ Less than 0.5 percent.

⁴ A preferred provider organization (PPO) is a group of hospitals and physicians that contracts to provide comprehensive medical services. To encourage use of organization members, the health care plan limits

reimbursement rates when participants use nonmember services.

⁵ 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.

⁶ 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 38. Medical care benefits: Percent of full-time participants in plans with overall limitations on benefits by amount of deductible, small establishments, 1990

Type and amount of deductible ²	All participants			Professional, technical, and related participants			Clerical and sales 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	82	18	100	84	16	100	81	19
Deductible specified	94	82	12	95	82	13	96	84	11	93	81	12
Deductible on an annual basis ³	94	82	12	95	82	13	95	84	11	93	81	12
Based on earnings ⁴	(⁵)	(⁵)	-	1	1	-	(⁵)	(⁵)	-	(⁵)	(⁵)	-
Flat dollar amount	94	82	12	94	81	13	95	84	11	93	80	12
Less than \$50	(⁵)	(⁵)	-	-	-	-	(⁵)	(⁵)	-	(⁵)	(⁵)	-
\$50	2	2	(⁵)	2	2	(⁵)	2	2	1	2	1	(⁵)
\$51-\$99	(⁵)	(⁵)	-	(⁵)	(⁵)	-	(⁵)	(⁵)	-	(⁵)	(⁵)	-
\$100	35	31	4	38	34	3	33	29	4	35	32	3
\$101-\$149	(⁵)	(⁵)	-	(⁵)	(⁵)	-	1	1	-	(⁵)	(⁵)	-
\$150	7	6	1	8	6	3	7	6	1	6	5	1
\$151-\$199	(⁵)	(⁵)	-	-	-	-	(⁵)	(⁵)	-	(⁵)	(⁵)	-
\$200	24	19	5	22	17	5	24	20	4	25	19	6
\$201-\$249	(⁵)	(⁵)	-	(⁵)	(⁵)	-	-	-	-	-	-	-
\$250	13	12	1	13	11	1	12	12	1	13	12	1
\$251-\$299	(⁵)	(⁵)	-	(⁵)	(⁵)	-	(⁵)	(⁵)	-	-	-	-
\$300	5	5	1	5	4	(⁵)	6	6	(⁵)	5	4	1
Over \$300	7	7	(⁵)	6	6	(⁵)	8	8	(⁵)	7	7	(⁵)
Deductible not on an annual basis	(⁵)	(⁵)	(⁵)	1	(⁵)	(⁵)	(⁵)	(⁵)	(⁵)	(⁵)	(⁵)	-
No deductible	6	(⁵)	5	5	(⁵)	5	4	(⁵)	4	7	(⁵)	7

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

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

³ 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.

⁴ 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.

⁵ Less than 0.5 percent.

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

Table 39. Medical care benefits: Percent of full-time participants in plans with overall limitations on benefits by coinsurance rate, small establishments, 1990

Coinsurance amount	All participants	Professional, technical, and related participants	Clerical and sales participants	Production and service participants
Total	100	100	100	100
With coinsurance ¹	96	94	96	96
Coinsurance rate ²				
80 percent	80	79	81	81
85 percent	2	1	2	2
90 percent	10	12	10	9
Other percent	3	2	3	4
Varies ³	1	1	(⁴)	1
Without coinsurance ⁵	4	6	4	4

¹ 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.

² A few plans have more than one coinsurance rate. In those cases, the coinsurance rate shown is that which applies to the majority of benefits under the plan.

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

⁴ Less than 0.5 percent.

⁵ 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 40. Medical care benefits: Percent of full-time participants in plans with overall limitations on benefits by maximum out-of-pocket expense provisions, small establishments, 1990

Provision	All participants	Professional, technical, and related participants	Clerical and sales participants	Production and service participants
Total	100	100	100	100
Maximum on annual out-of-pocket expense ¹	89	90	91	88
Per individual:				
\$1-\$249	1	(²)	1	1
\$250-\$499	15	21	15	11
\$500-\$749	18	17	17	19
\$750-\$999	9	9	10	7
\$1,000-\$1,249	32	30	32	33
\$1,250-\$1,499	3	2	4	2
\$1,500-\$1,999	5	4	4	7
\$2,000-\$2,499	6	6	6	5
\$2,500 and greater	2	2	1	2
Per family: ³				
\$1-\$499	(²)	(²)	1	(²)
\$500-\$749	2	3	1	2
\$750-\$999	6	6	7	6
\$1,000-\$1,249	10	14	9	9
\$1,250-\$1,499	1	1	1	1
\$1,500-\$1,999	8	9	7	8
\$2,000-\$2,999	16	16	19	14
\$3,000-\$3,999	9	7	8	10
\$4,000 and greater	5	4	5	6
No family maximum	32	31	33	32
Coinsurance varies by procedure ⁴	2	3	2	3
No maximum on annual out-of-pocket expenses	8	7	8	10
Coinsurance unchanged	8	7	8	10
Final coinsurance changes to other than 100 percent	(²)	(²)	-	(²)

¹ Deductible amounts were excluded from computation of the out-of-pocket dollar limits. With rare exceptions, an annual out-of-pocket limit was specified. Few workers were in plans where the expense limit applied to a disability or a period other than a year. Charges for certain services, such as mental health care, may not be counted toward the out-of-pocket maximum. Under federally qualified HMO's, there is a limit on the amount of copayments the participant must pay, equal to a percentage of the total premium. These plans were excluded from the computation of the out-of-pocket dollar limits.

² Less than 0.5 percent.

³ In a few plans, family out-of-pocket expense could not be computed because no limit on family deductibles was given.

⁴ Different coinsurance levels apply to different categories of care, but covered expenses under all coinsurance levels are limited to a specific dollar amount after which the plan pays 100 percent of additional expenses. Due to the varying coinsurance levels, out-of-pocket maximums cannot be calculated.

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 total annual deductible and maximum out-of-pocket expense, small establishments, 1990

Dollar amount ¹	All participants	Professional, technical, and related participants	Clerical and sales participants	Production and service participants
Total	100	100	100	100
Plan specifies annual deductible and out-of-pocket maximum ²	85	87	88	82
\$300-\$499	2	2	2	2
\$500-\$699	19	24	21	16
\$700-\$899	9	9	8	10
\$900-\$1,099	10	10	11	9
\$1,100-\$1,299	25	24	25	25
\$1,300-\$1,499	2	2	2	2
\$1,500-\$1,699	7	5	8	7
\$1,700-\$1,899	2	1	2	2
\$1,900-\$2,099	2	2	1	3
\$2,100 and greater	7	8	7	6
Based on earnings	(³)	1	(³)	(³)
Deductible not on an annual basis	4	3	2	6
Plan does not specify maximum annual out-of-pocket expense	11	10	9	12

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

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

³ Less than 0.5 percent.

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

Table 42. Medical care benefits: Percent of full-time participants in plans with overall limitations on benefits by maximum benefit provisions, small establishments, 1990

Type and dollar amount of maximum ¹	All participants	Professional, technical, and related participants	Clerical and sales participants	Production and service participants
Total	100	100	100	100
With maximum limits	73	69	71	75
Lifetime maximum only	69	67	69	70
Less than \$100,000	1	-	1	1
\$100,000	1	(³)	2	2
\$100,001-\$249,999	(³)	(³)	(³)	(³)
\$250,000	7	6	6	7
\$250,001-\$499,999	(³)	(³)	(³)	(³)
\$500,000	4	2	4	6
\$500,001-\$999,999	1	(³)	1	1
\$1,000,000	50	53	49	48
More than \$1,000,000	5	5	6	5
Annual or disability maximum only	3	2	2	5
Both lifetime and annual or disability maximums	(³)	(³)	(³)	(³)
Other maximum	(³)	(³)	(³)	(³)
Without maximum limits	27	31	29	25

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

² Less than 0.5 percent.

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 hospital room and board coverage by type of benefit payments, small establishments, 1990

Type of payment	All participants	Professional, technical, and related participants	Clerical and sales participants	Production and service participants
Total	100	100	100	100
Full semiprivate rate ¹	21	25	20	19
Full semiprivate rate for limited period, then percent of semiprivate rate	15	16	16	14
80 percent	14	16	14	13
85 percent	(²)	(²)	1	(²)
90 percent	1	(²)	1	1
95 percent	(²)	-	-	(²)
Other	(²)	(²)	-	(²)
Percent of semiprivate rate	62	58	63	63
80 percent	49	43	51	51
85 percent	1	1	1	1
90 percent	8	11	8	7
95 percent	(²)	(²)	(²)	(²)
Other	2	1	2	2
Varies	1	1	1	2
Percent of semiprivate rate for limited period, then overall coinsurance provisions	(²)	1	(²)	(²)
Daily dollar allowance	(²)	-	(²)	(²)
Daily dollar allowance, plus percent of additional charges	2	1	2	3

¹ Includes full service benefits provided by health maintenance organizations or preferred providers.

² Less than 0.5 percent.

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

Table 44. Medical care benefits: Percent of full-time participants in plans with in-hospital surgical benefits by type of payment, small establishments, 1990

Type of payment	All participants	Professional, technical, and related participants	Clerical and sales participants	Production and service participants
Total	100	100	100	100
Full usual, customary, and reasonable charge ¹	23	25	22	23
Full usual, customary, and reasonable charge up to a specified amount, plus percent of additional charges	1	(²)	1	2
Full usual, customary, and reasonable charge up to a specified amount	(²)	(²)	(²)	(²)
Percent of usual, customary, and reasonable charge:				
80 percent	54	52	55	54
85 percent	1	1	1	1
90 percent	7	9	7	6
Other percent ²	8	10	8	8
Percent of usual, customary, and reasonable charge plus percent of additional charges based on plan's coinsurance rate	(²)	(²)	(²)	(²)
Dollar allowance per procedure, plus percent of additional charges:				
80 percent	4	3	4	5
Other percent	1	(²)	(²)	2
Dollar allowance per procedure	(²)	(²)	1	(²)

¹ Includes full service benefits provided by health maintenance organizations or preferred provider organizations.

² Less than 0.5 percent.

³ 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 45. Medical care benefits: Percent of full-time participants in plans with in-hospital surgical benefits by comparison with outpatient surgical coverage, small establishments, 1990

Outpatient surgery	All participants	Professional, technical, and related participants	Clerical and sales participants	Production and service participants
Total	100	100	100	100
Coverage the same as in-hospital surgery	72	69	73	73
Coverage differs from in-hospital surgery	28	31	27	27
Coinsurance rate higher for outpatient surgery	23	25	22	23
100 percent	22	24	21	22
90 percent or 95 percent	1	1	2	1
Other differences ¹	5	6	5	4

¹ 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 46. Medical care benefits: Percent of full-time participants in fee-for-service plans with in-hospital surgical benefits by second surgical opinion provisions, small establishments, 1990

Item	All participants	Professional, technical, and related participants	Clerical and sales participants	Production and service participants
Total	100	100	100	100
With second surgical opinion provision	71	72	71	70
Plan pays for, but does not provide incentives for, second opinions	38	36	37	39
Plan provides incentives for second opinions	33	36	34	32
For selected procedures ¹	25	28	25	23
No payment without second opinion	2	3	2	1
Reduced coinsurance without second opinion	23	25	23	22
For all procedures	7	7	7	7
Reduced coinsurance without second opinion	1	1	1	1
Schedule of payments lower without second opinion	1	2	1	1
Other lower payments	4	5	5	4
Details of incentive not available	2	1	2	2
Without second surgical opinion provision	29	28	29	30

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

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 mental health benefits by extent of benefits, small establishments, 1990

Coverage limitation	All participants		Professional, technical, and related participants		Clerical and sales participants		Production and service participants	
	Hospital care ¹	Outpatient care ²	Hospital care ¹	Outpatient care ²	Hospital care ¹	Outpatient care ²	Hospital care ¹	Outpatient care ²
Total	100	100	100	100	100	100	100	100
With coverage	98	97	98	95	98	97	98	97
Covered the same as other illnesses	12	1	12	1	14	1	11	2
Subject to separate limitations ³	85	95	86	95	84	95	87	96
Limit on days	47	35	50	39	48	32	45	36
Per year	44	34	46	38	44	31	43	35
Per confinement	3	(⁴)	3	(⁴)	3	-	3	-
Per lifetime	1	(⁴)	1	(⁴)	1	(⁴)	1	(⁴)
Per other period	(⁴)	1	(⁴)	1	(⁴)	(⁴)	(⁴)	1
Limit on dollars	55	77	52	73	55	78	57	78
Per day	(⁴)	28	(⁴)	28	(⁴)	27	(⁴)	30
Per year	17	54	17	51	18	58	16	51
Per lifetime	47	-	43	-	46	-	50	-
Per other period	2	1	1	1	1	1	2	2
Coinsurance limit	14	63	10	61	12	65	17	62
50 percent	7	53	5	52	6	56	8	51
Other ⁵	7	10	5	8	6	9	9	11
Ceiling on out-of-pocket expenses does not apply	26	55	25	52	27	59	26	54
Separate copayment or deductible	3	9	6	12	2	8	2	9
Other limitations	(⁴)	(⁴)	(⁴)	(⁴)	(⁴)	-	(⁴)	-
Without coverage	2	3	2	5	2	3	2	3

¹ Excludes doctor's charges in the hospital.

² 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.

³ Separate limitations indicate that mental health care benefits are more restrictive than benefits for other treatments. For example, if a plan limits inpatient mental health care to 30 days per year, but the limit on inpatient care for any other type of illness is greater than 30 days per year, that plan contains separate limits. The total is less than

the sum of the individual items because many plans had more than one type of limitation on mental health coverage.

⁴ Less than 0.5 percent.

⁵ 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 48. Medical care benefits: Percent of full-time participants in plans with substance abuse benefits by uniformity in coverage, small establishments, 1990

Coverage limitation	All participants	Professional, technical, and related participants	Clerical and sales participants	Production and service participants
Total	100	100	100	100
With alcohol abuse treatment benefits	100	100	100	100
Drug abuse treatment covered in the same manner	87	86	87	88
Drug abuse treatment covered differently	10	11	10	10
Drug abuse treatment benefits not provided	3	3	3	3

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, small establishments, 1990

Coverage limitation	All participants			Professional, technical, and related participants			Clerical and sales participants			Production and service participants		
	Inpatient detoxification ¹	Inpatient rehabilitation ²	Out-patient care ³	Inpatient detoxification ¹	Inpatient rehabilitation ²	Out-patient care ³	Inpatient detoxification ¹	Inpatient rehabilitation ²	Out-patient care ³	Inpatient detoxification ¹	Inpatient rehabilitation ²	Out-patient care ³
Total	100	100	100	100	100	100	100	100	100	100	100	100
With coverage	99	80	74	100	81	75	100	80	74	99	80	74
Covered the same as other illnesses	28	11	6	27	10	6	30	12	7	26	10	5
Subject to separate limitations ⁴	72	69	68	72	71	70	70	68	67	73	70	68
Limit on days	46	44	25	50	48	32	47	46	23	44	42	24
Per year	36	36	22	42	41	27	35	35	21	34	34	21
Per confinement	7	5	(⁵)	5	4	-	7	6	(⁵)	7	5	(⁵)
Per lifetime	6	8	3	5	6	3	7	9	3	5	7	3
Per other period	4	3	2	4	3	4	4	3	2	3	2	1
Limit on dollars	39	39	50	37	37	47	37	37	49	42	42	52
Per day	1	1	13	(⁵)	1	13	1	1	13	(⁵)	1	14
Per year	14	14	33	14	14	30	14	14	36	13	13	32
Per lifetime	30	30	27	26	26	24	28	27	24	34	34	31
Per other period	5	5	4	3	3	2	3	3	2	6	6	6
Coinsurance limit ⁶	11	11	28	8	8	29	9	9	29	13	13	28
Ceiling on out-of-pocket expenses does not apply	18	18	28	15	14	27	21	20	32	18	18	26
Separate copayment or deductible	2	2	5	5	5	7	2	2	4	2	2	5
Other limitations	(⁵)	-	(⁵)	(⁵)	-	(⁵)	(⁵)	-	(⁵)	1	-	(⁵)
Without coverage	1	20	26	(⁵)	19	25	(⁵)	20	26	1	20	26

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

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

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

⁴ Separate limitations indicate that alcohol abuse treatment benefits are more restrictive than benefits for other treatments. For example, if a plan

limits inpatient rehabilitation care to 30 days per year, but the limit on inpatient care for any other type of illness is greater than 30 days per year, that plan contains separate limits. The total is less than the sum of the individual items because many plans had more than one type of limitation.

⁵ Less than 0.5 percent.

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

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

Table 50. Medical care benefits: Percent of full-time participants in plans with drug abuse treatment benefits by extent of benefits, small establishments, 1990

Coverage limitation	All participants			Professional, technical, and related participants			Clerical and sales participants			Production and service participants		
	Inpatient detoxification ¹	Inpatient rehabilitation ²	Out-patient care ³	Inpatient detoxification ¹	Inpatient rehabilitation ²	Out-patient care ³	Inpatient detoxification ¹	Inpatient rehabilitation ²	Out-patient care ³	Inpatient detoxification ¹	Inpatient rehabilitation ²	Out-patient care ³
Total	100	100	100	100	100	100	100	100	100	100	100	100
With coverage	99	77	71	99	77	71	100	77	72	99	76	71
Covered the same as other illnesses	26	6	4	26	6	4	28	8	5	25	5	4
Subject to separate limitations ⁴	73	71	67	73	72	67	71	70	67	74	72	68
Limit on days	46	44	22	48	46	27	47	46	21	44	42	21
Per year	37	35	20	41	39	23	36	35	19	35	34	19
Per confinement	6	5	(⁵)	5	4	-	6	6	(⁵)	6	5	(⁵)
Per lifetime	5	7	2	4	5	1	7	9	2	4	6	2
Per other period	3	2	2	3	3	4	4	3	2	2	2	1
Limit on dollars	42	42	52	40	41	48	40	39	53	44	44	53
Per day	(⁵)	1	13	(⁵)	1	13	1	1	14	(⁵)	1	13
Per year	14	14	34	15	16	31	14	14	37	14	14	34
Per lifetime	33	33	29	31	31	26	32	31	27	36	36	31
Per other period	5	5	4	3	3	2	3	3	2	7	6	6
Coinsurance limit ⁶	11	11	30	8	8	29	9	10	32	13	13	28
Ceiling on out-of-pocket expenses does not apply	19	19	28	15	15	26	22	21	33	19	19	26
Separate copayment or deductible	2	2	5	5	5	7	2	2	4	2	2	5
Other limitations	(⁵)	-	(⁵)	(⁵)	-	(⁵)	(⁵)	-	(⁵)	1	-	(⁵)
Without coverage	1	23	29	1	23	29	(⁵)	23	28	1	24	29

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

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

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

⁴ Separate limitations indicate that drug abuse treatment benefits are more restrictive than benefits for other treatments. For example, if a plan

limits inpatient rehabilitation care to 30 days per year, but the limit on inpatient care for any other type of illness is greater than 30 days per year, that plan contains separate limits. The total is less than the sum of the individual items because many plans had more than one type of limitation.

⁵ Less than 0.5 percent.

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

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

Table 51. Medical care benefits: Percent of full-time participants in fee-for-service plans¹ by coverage for selected cost containment features, small establishments, 1990

Cost containment feature	All participants	Professional, technical, and related participants	Clerical and sales participants	Production and service participants
Higher rate of payment for generic prescription drugs	15	13	19	14
Mail order drugs	6	7	6	6
No or limited reimbursement for nonemergency weekend admission to hospital	14	15	15	13
Separate deductible for hospital admission	10	11	8	11
Incentive for prehospitalization testing	49	51	52	45
Prehospital admission certification requirement	59	60	59	58
Higher rate of payment for delivery at birthing center	21	19	21	22
Incentive to audit hospital statement	7	6	6	7
Care subject to utilization review	27	27	27	27

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

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

Table 52. Medical care benefits¹: Percent of full-time participants by type of plan and coverage for selected special benefits, small establishments, 1990

Benefit item	All plans	Health maintenance organizations	Non-health maintenance organizations
All participants			
Hearing care ²	16	92	4
Orthoptics ³	1	-	1
Routine physical examinations	26	98	15
Organ transplant	28	13	31
Well-baby care	32	97	22
Immunization and inoculation	23	96	12
Preventive dental care ⁴	2	9	(⁵)
Vision examinations only ⁶	12	71	3
Professional, technical, and related			
Hearing care ²	18	91	5
Orthoptics ³	1	-	1
Routine physical examinations	28	98	15
Organ transplant	28	13	30
Well-baby care	37	96	27
Immunization and inoculation	29	97	17
Preventive dental care ⁴	1	7	(⁵)
Vision examinations only ⁶	13	64	4
Clerical and sales			
Hearing care ²	12	91	3
Orthoptics ³	1	-	1
Routine physical examinations	24	97	15
Organ transplant	30	12	32
Well-baby care	28	97	20
Immunization and inoculation	22	94	13
Preventive dental care ⁴	1	11	(⁵)
Vision examinations only ⁶	11	70	4
Production and service			
Hearing care ²	18	93	5
Orthoptics ³	1	-	1
Routine physical examinations	27	98	14
Organ transplant	27	14	30
Well-baby care	33	98	21
Immunization and inoculation	22	97	8
Preventive dental care ⁴	2	10	1
Vision examinations only ⁶	13	75	2

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

² Plans provide, as a minimum, coverage for hearing examination expenses.

³ Exercises to improve the function of the eye muscles.

⁴ Includes plans that only provide examinations and X-rays.

⁵ Less than 0.5 percent.

⁶ Includes plans that provide only examinations.

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

Table 53. Medical care benefits: Percent of full-time participants in contributory plans¹ by type and amount of employee contribution, small establishments, 1990

Type and amount of contribution	Employee coverage	Family coverage ²	Type and amount of contribution	Employee coverage	Family coverage ²
All participants			Clerical and sales		
Total	100	100	Total	100	100
Flat monthly amount	85	82	Flat monthly amount	85	81
Less than \$5.00 ³	2	1	Less than \$5.00	2	1
\$5.00-\$9.99	10	1	\$5.00-\$9.99	13	1
\$10.00-\$14.99	15	2	\$10.00-\$14.99	16	3
\$15.00-\$19.99	7	2	\$15.00-\$19.99	6	2
\$20.00-\$29.99	16	3	\$20.00-\$29.99	15	4
\$30.00-\$39.99	7	6	\$30.00-\$39.99	9	4
\$40.00-\$49.99	6	3	\$40.00-\$49.99	5	4
\$50.00-\$59.99	4	5	\$50.00-\$59.99	3	5
\$60.00-\$69.99	2	4	\$60.00-\$69.99	2	4
\$70.00-\$79.99	(⁴)	5	\$70.00-\$79.99	(⁴)	7
\$80.00-\$89.99	1	3	\$80.00-\$89.99	1	3
\$90.00-\$99.99	(⁴)	2	\$90.00-\$99.99	-	2
\$100.00-\$124.99	-	6	\$100.00-\$124.99	-	6
\$125.00-\$149.99	-	7	\$125.00-\$149.99	-	7
\$150.00-\$174.99	(⁴)	5	\$150.00-\$174.99	(⁴)	5
\$175.00-\$199.99	-	8	\$175.00-\$199.99	-	7
\$200.00 or greater	-	9	\$200.00 or greater	-	9
Composite rate ⁴	15	10	Composite rate ⁴	12	9
Amount varies by employee ⁵	7	5	Amount varies by employee ⁵	7	5
Amount varies by earnings	2	2	Amount varies by earnings	2	2
Not determinable	6	12	Not determinable	7	11
Professional, technical, and related			Production and service		
Total	100	100	Total	100	100
Flat monthly amount	85	84	Flat monthly amount	85	81
Less than \$5.00	3	1	Less than \$5.00	2	1
\$5.00-\$9.99	9	(⁴)	\$5.00-\$9.99	9	1
\$10.00-\$14.99	13	1	\$10.00-\$14.99	14	2
\$15.00-\$19.99	8	2	\$15.00-\$19.99	7	2
\$20.00-\$29.99	25	3	\$20.00-\$29.99	12	2
\$30.00-\$39.99	8	4	\$30.00-\$39.99	5	9
\$40.00-\$49.99	7	2	\$40.00-\$49.99	7	2
\$50.00-\$59.99	4	8	\$50.00-\$59.99	4	3
\$60.00-\$69.99	(⁴)	4	\$60.00-\$69.99	2	4
\$70.00-\$79.99	(⁴)	6	\$70.00-\$79.99	1	3
\$80.00-\$89.99	(⁴)	4	\$80.00-\$89.99	2	3
\$90.00-\$99.99	(⁴)	1	\$90.00-\$99.99	-	2
\$100.00-\$124.99	-	8	\$100.00-\$124.99	-	5
\$125.00-\$149.99	-	8	\$125.00-\$149.99	-	8
\$150.00-\$174.99	(⁴)	5	\$150.00-\$174.99	(⁴)	6
\$175.00-\$199.99	-	11	\$175.00-\$199.99	-	6
\$200.00 or greater	-	8	\$200.00 or greater	-	9
Composite rate ⁴	8	6	Composite rate ⁴	20	13
Amount varies by employee ⁵	10	6	Amount varies by employee ⁵	7	5
Amount varies by earnings	1	1	Amount varies by earnings	2	1
Not determinable	3	9	Not determinable	7	14

¹ Plans providing services or payments for services rendered in the hospital or by a physician.

² 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.

³ Less than 0.5 percent.

⁴ 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.

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

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

Table 54. Medical care benefits: Percent of full-time participants by requirement for employee contribution, small establishments, 1990

Type and amount of contribution	All participants		Professional, technical, and related participants		Clerical and sales 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	46	22	35	10	47	26	52	26
Contributory	54	77	65	89	53	74	48	73
Not determinable	-	(¹)	-	(¹)	-	-	-	(¹)
Non-health maintenance organizations	100	100	100	100	100	100	100	100
Non-contributory	59	35	60	32	54	30	63	39
Contributory	41	65	40	68	46	69	37	60
Not determinable	-	1	-	(¹)	-	(¹)	-	1

¹ Less than 0.5 percent.

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

Table 55. Medical care benefits: Average monthly contribution of full-time participants in contributory plans, small establishments, 1990

Type of coverage	All participants	Professional, technical, and related participants	Clerical and sales participants	Production and service participants
All plans				
Employee coverage	\$25.13	\$23.91	\$24.06	\$27.06
Family coverage ¹	109.34	111.73	106.38	110.68
Health maintenance organizations				
Employee coverage	25.47	23.96	27.28	25.41
Family coverage ¹	134.61	117.86	134.04	144.56
Non-health maintenance organizations				
Employee coverage	25.04	23.90	23.53	27.67
Family coverage ¹	103.60	110.13	102.26	100.82

¹ If the amount of contribution varied by either size or composition of family, the rate for an employee with a spouse and one child was used.

Table 56. Medical care benefits¹: Percent of full-time participants by length-of-service requirements for participation,² small establishments, 1990

Length-of-service requirement	All participants	Professional, technical, and related participants	Clerical and sales participants	Production and service participants
Total	100	100	100	100
With service requirement	30	24	29	33
1 month	11	11	12	9
2 months	5	4	4	7
3 months	10	7	10	11
4-5 months	1	(³)	1	2
6 months	2	1	1	2
7-11 months	1	(³)	1	1
1 year	(³)	(³)	(³)	(³)
Over 1 year	(³)	(³)	-	(³)
Without service requirement	44	52	46	38
Service requirement not determinable	27	24	25	29

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

² 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.

³ Less than 0.5 percent.

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

Table 57. Medical care benefits¹: Percent of full-time participants by provision for coverage after retirement, small establishments, 1990

Provision	All participants	Professional, technical, and related participants	Clerical and sales participants	Production and service participants
Total	100	100	100	100
With employer-financed retiree coverage ²	15	15	17	13
For retirees under age 65 only	2	1	2	2
For retirees 65 and over only	2	4	2	1
For all retirees	11	10	13	10
Benefits cancelled on retirement or financed wholly by retiree	83	82	81	86
Data not available	2	3	2	1

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

² Includes plans financed wholly by employers and plans financed jointly by employers and retirees.

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

Table 58. Dental care benefits: Percent of full-time participants by extent of coverage for selected procedures, small establishments, 1990

Extent of coverage	Type of dental procedure									
	Examina- tions	Dental X- rays	Fillings	Dental surgery ¹	Inlays	Crowns	Periodontal care	Endodon- tics	Prosthetics	Orthodon- tia ²
All participants										
Total	100	100	100	100	100	100	100	100	100	100
Covered	100	100	100	99	96	98	98	99	95	63
Scheduled cash allowance	8	8	8	8	8	8	8	8	8	(³)
Incentive schedule ⁴	1	1	1	1	(³)	(³)	1	1	(³)	-
Subject to copayment ⁵	4	3	1	4	3	4	3	3	4	4
Percent of usual, customary, and reasonable charge	87	87	85	81	81	82	82	83	79	55
Less than 50	-	-	-	-	-	-	-	-	(³)	(³)
50	(³)	(³)	7	8	64	64	11	7	63	45
60	-	-	(³)	1	4	5	1	1	3	3
61-74	1	1	4	4	2	2	4	4	1	1
75	-	(³)	3	3	(³)	(³)	3	3	(³)	-
80	16	20	57	57	9	9	54	57	7	1
85	(³)	2	3	3	1	(³)	3	3	(³)	-
90	2	2	2	2	(³)	(³)	1	1	(³)	-
100 ⁶	67	62	9	5	1	1	5	6	2	5
Discounted benefit ⁷	-	(³)	4	3	4	3	4	3	4	3
Subject to overall plan provisions only ⁸	(³)	1	1	1	1	1	1	1	1	1
Not covered	-	-	-	1	4	2	1	1	5	37
Not determinable	-	-	-	-	(³)	-	(³)	-	-	-
Professional, technical, and related										
Total	100	100	100	100	100	100	100	100	100	100
Covered	100	100	100	100	97	98	99	100	93	65
Scheduled cash allowance	6	6	6	6	6	6	6	6	6	-
Incentive schedule ⁴	1	1	1	1	(³)	(³)	1	1	-	-
Subject to copayment ⁵	5	3	(³)	1	1	2	1	1	2	1
Percent of usual, customary, and reasonable charge	88	90	87	85	85	85	85	86	80	61
Less than 50	-	-	-	-	-	-	-	-	(³)	(³)
50	(³)	1	11	11	71	70	17	10	68	49
60	-	-	(³)	(³)	3	4	(³)	(³)	2	2
61-74	(³)	(³)	2	2	(³)	1	2	2	(³)	(³)
75	-	1	6	6	(³)	(³)	6	6	-	-
80	15	19	58	60	10	10	55	60	7	1
85	(³)	1	3	3	(³)	(³)	3	3	(³)	-
90	1	1	1	1	(³)	(³)	1	1	(³)	-
100 ⁶	72	67	7	3	(³)	(³)	3	4	2	8
Discounted benefit ⁷	-	(³)	5	5	5	5	5	5	5	3
Subject to overall plan provisions only ⁸	(³)	(³)	(³)	(³)	(³)	(³)	(³)	(³)	(³)	(³)
Not covered	-	-	-	(³)	3	2	1	(³)	7	35
Not determinable	-	-	-	-	-	-	-	-	-	-

See footnotes at end of table.

Table 58. Dental care benefits: Percent of full-time participants by extent of coverage for selected procedures, small establishments, 1990—Continued

Extent of coverage	Type of dental procedure									
	Examina- tions	Dental X- rays	Fillings	Dental surgery ¹	Inlays	Crowns	Periodontal care	Endodon- tics	Prosthetics	Orthodon- tia ²
Clerical and sales										
Total	100	100	100	100	100	100	100	100	100	100
Covered	100	100	100	100	96	98	98	100	94	63
Scheduled cash allowance	4	4	5	5	4	4	4	5	4	(³)
Incentive schedule ⁴	2	2	2	1	(³)	(³)	1	1	(³)	-
Subject to copayment ⁵	2	2	1	4	3	4	2	2	4	4
Percent of usual, customary, and reasonable charge	91	92	90	88	87	88	88	89	83	57
Less than 50	-	-	-	-	-	-	-	-	(³)	(³)
50	(³)	(³)	9	11	70	70	13	9	67	48
60	-	-	(³)	1	5	5	1	1	4	3
61-74	1	1	7	7	1	2	7	7	1	1
75	-	-	3	3	1	1	3	3	(³)	-
80	20	24	58	57	8	8	56	60	8	2
85	(³)	1	2	2	(³)	(³)	3	3	(³)	-
90	2	2	1	2	(³)	(³)	1	1	(³)	-
100 ⁶	68	63	9	5	1	1	5	6	2	4
Discounted benefit ⁷	-	-	2	2	2	2	2	2	2	1
Subject to overall plan provisions only ⁸	(³)	(³)	(³)	(³)	(³)	(³)	(³)	(³)	(³)	(³)
Not covered	-	-	-	(³)	4	2	2	(³)	6	37
Not determinable	-	-	-	-	(³)	-	(³)	-	-	-
Production and service										
Total	100	100	100	100	100	100	100	100	100	100
Covered	100	100	100	99	96	99	98	99	98	62
Scheduled cash allowance	12	12	12	13	12	13	12	13	12	(³)
Incentive schedule ⁴	1	1	1	1	(³)	(³)	1	1	(³)	-
Subject to copayment ⁵	4	4	1	6	4	6	4	4	6	6
Percent of usual, customary, and reasonable charge	83	82	79	73	73	74	75	76	74	51
Less than 50	-	-	-	-	-	-	-	-	(³)	(³)
50	(³)	(³)	3	4	54	54	6	4	57	40
60	-	-	(³)	1	5	5	1	1	4	4
61-74	1	1	2	2	3	3	2	2	2	1
75	-	-	2	2	(³)	(³)	2	2	(³)	-
80	14	16	55	54	10	9	52	54	7	1
85	1	2	5	4	1	1	4	4	1	-
90	3	3	2	2	1	1	1	1	1	-
100 ⁶	64	58	11	5	1	1	6	7	2	5
Discounted benefit ⁷	-	-	5	4	5	4	5	4	5	3
Subject to overall plan provisions only ⁸	1	2	2	2	2	2	2	2	2	2
Not covered	-	-	-	1	4	1	1	1	2	38
Not determinable	-	-	-	-	1	-	1	-	-	-

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

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

³ Less than 0.5 percent.

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

⁵ Participant pays a specific amount per procedure and plan pays all remaining expenses. In the case of orthodontia, the copayment is generally

applied once per lifetime.

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

⁷ Benefits provided at a discount if obtained from an approved provider.

⁸ 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 59. Dental care benefits: Percent of full-time participants by deductible provision¹, small establishments, 1990

Type of deductible ²	All participants	Professional, technical, and related participants	Clerical and sales participants	Production and service participants
Total	100	100	100	100
Subject to separate dental deductible ³	67	66	72	64
Yearly deductible only	62	60	67	60
\$25	19	18	22	18
\$26-\$49	(⁴)	(⁴)	(⁴)	-
\$50	39	37	40	39
\$51-\$99	1	2	1	(⁴)
\$100	3	2	4	3
Over \$100	(⁴)	1	1	(⁴)
Lifetime deductible only	1	(⁴)	(⁴)	1
\$50	1	(⁴)	(⁴)	1
Over \$50	(⁴)	-	(⁴)	-
Both yearly and lifetime deductibles	4	6	5	3
Subject to overall plan deductible	3	5	3	3
No deductible	29	29	25	33

¹ Excludes separate deductibles for orthodontic procedures.
² Amount of deductible described is for each insured person. In some plans, the individual and family deductibles are identical.
³ Deductibles may not apply to all covered dental procedures. If separate deductibles applied to different procedures, the sum of the deductible amounts was tabulated.
⁴ 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 60. Dental care benefits: Percent of full-time participants by yearly maximum amount of coverage,¹ small establishments, 1990

Dollar amount ²	All participants	Professional, technical, and related participants	Clerical and sales participants	Production and service participants
Total	100	100	100	100
Yearly maximum specified ³	84	86	84	83
Less than \$500	1	1	1	1
\$500	2	(⁴)	2	2
\$501-\$749	(⁴)	(⁴)	(⁴)	(⁴)
\$750	8	8	9	8
\$751-\$999	2	1	1	3
\$1,000	48	52	50	44
\$1,001-\$1,499	4	7	5	2
\$1,500	11	12	10	11
\$1,501-\$1,999	2	1	1	2
\$2,000	4	3	3	6
\$2,001-\$2,999	1	1	(⁴)	1
\$3,000 or more	2	(⁴)	3	3
No yearly maximum	16	14	16	17

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

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

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

⁴ Less than 0.5 percent.

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

Table 61. Dental care benefits: Percent of full-time participants in plans with orthodontic benefits by lifetime maximum amount of coverage, small establishments, 1990

Dollar amount ¹	All participants	Professional, technical, and related participants	Clerical and sales participants	Production and service participants
Total	100	100	100	100
Lifetime maximum specified	78	85	78	74
Less than \$500	(²)	-	(²)	-
\$500	5	6	3	5
\$501-\$749	3	3	5	1
\$750	17	15	15	19
\$751-\$999	2	2	3	(²)
\$1,000	38	46	38	33
\$1,001-\$1,499	2	1	1	4
\$1,500	9	12	11	7
Greater than \$1,500	3	1	3	5
No lifetime maximum	22	15	22	26

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

² Less than 0.5 percent.

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

Table 62. Dental care benefits: Percent of full-time participants by provision for preauthorization of treatment, small establishments, 1990

Item	All participants	Professional, technical, and related participants	Clerical and sales participants	Production and service participants
Total	100	100	100	100
Preauthorization required	57	62	58	52
Minimum expense requiring preauthorization:				
\$100	10	13	11	7
\$101 - \$199	13	16	11	14
\$200	12	12	14	11
Greater than \$200	17	18	18	16
Dollar amount not determinable	4	2	4	5
Preauthorization not required	43	38	42	48

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

Chapter 5. Life Insurance

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

Life insurance plans covered two-thirds of full-time employees in small establishments in 1990 (tables 63-71). Generally, the cost of basic life insurance in small establishments was paid entirely by the employer. Where employee contributions were required, one-half were stated as a composite rate, that is, a set contribution covering more than one benefit. Cost data for individual plans that make up this rate could not be separated. For example, a plan may provide coverage for health and life insurance at one monthly rate of \$25. Among other methods of specifying employee contributions was a flat amount based on coverage, for example, 30 cents per \$1,000 of coverage per month.

Types and amounts of benefit formulas

The most prevalent method for determining basic life insurance was a flat dollar amount of coverage. Such coverage was provided to just over three-fifths of life insurance plan participants. This type of life insurance was more prevalent for production and service participants than among the other two occupational groups. The average flat-dollar amount of life insurance coverage was highest for professional, technical, and related participants (\$29,158), while clerical and sales participants averaged \$13,838 and production and service participants averaged \$11,656.

Insurance protection of between \$5,000 and \$20,000 was most prevalent among participants in plans specifying a flat dollar amount of insurance. A small percent of participants in such plans had coverage of \$50,000 or more; white-collar workers, especially professional, technical, and related workers, more often had these larger benefits.

Nearly two-fifths of full-time participants in small establishments were provided basic life insurance coverage linked to their pay. Coverage of this type provides participants with a level of protection that increases automatically with a rise in pay. Such formulas were much more prevalent among professional, technical, and related workers than among production and service workers. The most

common method of tying life insurance to pay was to multiply the employee's annual salary by a factor of 1 or 2 and round the product to the next \$1,000. For example, an employee whose annual pay was \$22,700 would receive \$46,000 of coverage under a plan providing 2 times pay (\$22,700 times 2 equals \$45,400, which is rounded up to \$46,000).

The average multiple-of-pay benefit formula was 1.6 times pay. Nearly half of all participants in these plans had insurance equal to their annual pay. Three in 10 had coverage equal to twice annual pay or more.

Limits on the amount of life insurance coverage available to participants in the 1990 survey were placed on two-thirds of all workers covered by multiple-of-pay plans. The most prevalent maximums observed were between \$100,000 and \$249,999, although one-fourth of participants in these plans had maximum benefits of \$250,000 or more. In fact, a small number of participants had maximum limitations of \$1,000,000 or more.

Coverage for older active workers and retirees

Two-fifths of participants were in plans where older active workers faced reduced benefits. Coverage is reduced to account for the increased cost of insuring older workers.²⁶ Of the participants whose plans reduced coverage, just under three-fifths would have their first reduction at age 65. Most of the remaining workers would experience reductions beginning at age 70. It was not common for reductions to occur before age 65.

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

Basic life insurance coverage continued after retirement for one-fifth of the full-time participants in small establishments in 1990. This coverage almost always continued for the remainder of the retiree's life, but the amount of the benefit was usually reduced at least once during retirement.²⁷ (See chart 2.)

²⁶ 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.

²⁷ For more information on retiree life insurance, see Margaret Simons and Cynthia Thompson, "Life insurance benefits for retired workers," *Monthly Labor Review*, September 1990, pp. 17-21.

Related protection

Accidental death and dismemberment (AD&D) insurance was available to nearly four-fifths of the life insurance plan participants. This insurance provides additional benefits if a worker dies or loses an eye or a limb in an accident. For virtually all of these workers, the AD&D benefit equaled the basic life insurance benefit for accidental death, and a portion of that benefit for dismemberment.²⁸

Benefits supplementing basic life insurance coverage were available to one-fourth of the participants. Almost without exception, these employees were required to pay the full premium for such benefits. The typical supplemental plan provided term life insurance in multiples of 1-to 3-times annual pay, at the employee's option. Supplemental coverage was considerably more prevalent for employee's who had their basic insurance determined by a multiple of pay formula than those with a flat dollar amount of coverage.

Life insurance coverage for dependents was available to one-fourth of participants. The majority of the workers with this coverage were required to pay the entire premium to obtain coverage, while the remainder had avail-

²⁸ For more information on accidental death and dismemberment benefits, see Cynthia Thompson, "Compensation for death and dismemberment," *Monthly Labor Review*, September 1989, pp. 13-17.

able either joint employee-employer paid or entirely employer-paid dependent coverage. The most prevalent method used to provide dependent coverage was a flat dollar benefit. In such plans, spouse coverage averaged \$3,502, and coverage for children averaged \$1,953 in 1990. Among other plans, the employee often had the option to select specific benefits.

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

Service requirements

One-third of all life insurance participants were required to work a minimum period to qualify for the plan. The most common service requirement for such workers was 1 month, followed closely by 3 months. For another third of participants, the service requirement could not be determined.

Chart 2. Life Insurance: Percent of full-time participants with supplemental, dependent, and retiree coverage, small establishments, 1990

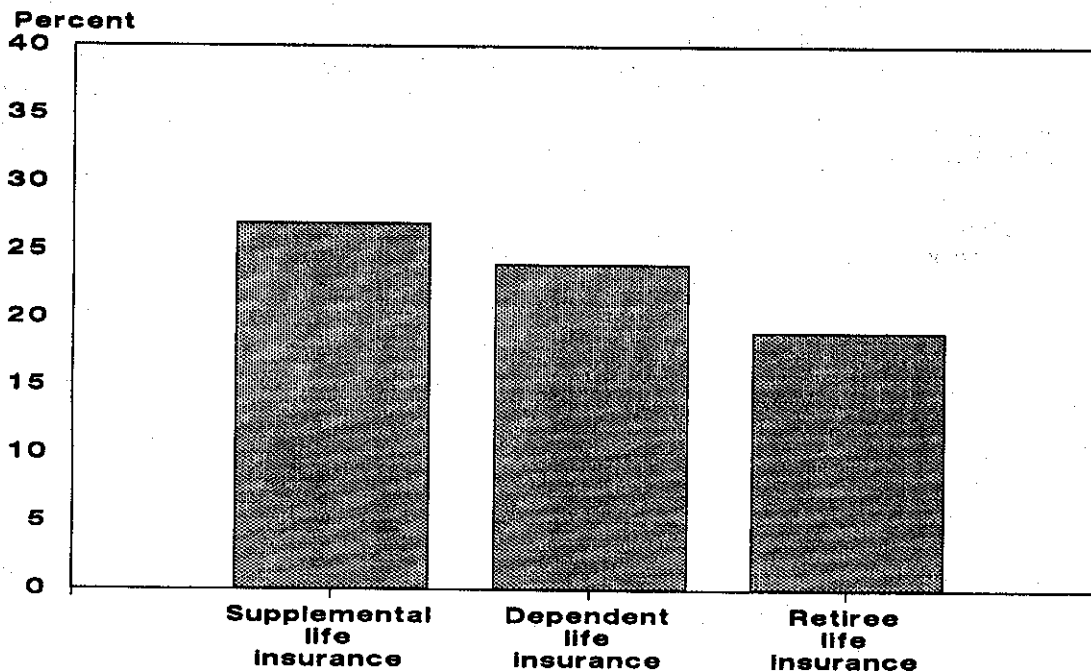


Table 63. Life insurance: Percent of full-time participants by method of determining amount of basic life insurance and frequency of related coverages, small establishments, 1990

Item	All participants	Professional, technical, and related participants	Clerical and sales participants	Production and service participants
Total	100	100	100	100
Basic life insurance ¹	99	99	99	99
Based on earnings	37	48	45	24
Multiple ²	34	46	43	22
Graduated schedule	3	2	2	3
Flat amount	62	51	54	74
Flat amount based on service	(³)	-	(³)	(³)
Accidental death and dismemberment coverage	78	79	77	79
Survivor income benefit ⁴	1	2	1	1
Supplemental benefits available	27	28	35	21
Wholly employee paid	25	24	32	20
Dependent coverage available	24	22	22	28
Wholly employee paid	13	13	15	11

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

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

³ Less than 0.5 percent.

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

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

Table 64. Life insurance: Percent of full-time participants in plans with multiple-of-earnings formulas¹ by amount of basic insurance and maximum coverage provisions, small establishments, 1990

Formula	Total	In plans without maximum coverage	In plans with maximum coverage						
			All	Less than \$50,000	\$50,000-\$99,999	\$100,000-\$249,999	\$250,000-\$499,999	\$500,000-\$999,999	\$1,000,000 or more
All participants									
Total	100	35	65	3	15	22	16	6	3
Life insurance is equal to annual earnings times: ²									
Less than 1.0	2	-	2	-	1	1	(⁰)	-	-
1.0	48	19	29	1	10	7	6	3	1
1.1-1.4	(⁰)	(⁰)	-	-	-	-	-	-	-
1.5	8	2	6	(⁰)	3	1	(⁰)	1	(⁰)
1.6-1.9	(⁰)	-	(⁰)	-	(⁰)	-	-	-	-
2.0	30	9	21	-	1	9	8	1	2
2.1-2.4	1	1	-	-	-	-	-	-	-
2.5	3	1	3	-	(⁰)	2	(⁰)	-	(⁰)
3.0	5	1	3	1	-	2	(⁰)	(⁰)	(⁰)
More than 3.0	2	2	(⁰)	-	-	(⁰)	(⁰)	(⁰)	-
Multiple varying with earnings	1	-	1	-	(⁰)	(⁰)	1	-	-
Professional, technical, and related									
Total	100	31	69	1	17	25	19	4	2
Life insurance is equal to annual earnings times: ²									
Less than 1.0	2	-	2	-	1	1	(⁰)	-	-
1.0	37	15	21	(⁰)	10	6	4	1	1
1.1-1.4	(⁰)	(⁰)	-	-	-	-	-	-	-
1.5	9	3	7	-	5	1	-	1	(⁰)
1.6-1.9	(⁰)	-	(⁰)	-	(⁰)	-	-	-	-
2.0	39	10	29	-	2	12	13	1	1
2.1-2.4	(⁰)	(⁰)	-	-	-	-	-	-	-
2.5	3	1	3	-	(⁰)	2	(⁰)	-	-
3.0	6	2	4	1	-	3	(⁰)	(⁰)	-
More than 3.0	1	(⁰)	1	-	-	-	(⁰)	(⁰)	-
Multiple varying with earnings	1	-	1	-	(⁰)	(⁰)	1	-	-
Clerical and sales									
Total	100	36	64	3	13	21	15	9	4
Life insurance is equal to annual earnings times: ²									
Less than 1.0	1	-	1	-	1	(⁰)	(⁰)	-	-
1.0	45	16	29	1	9	7	4	7	(⁰)
1.1-1.4	(⁰)	(⁰)	-	-	-	-	-	-	-
1.5	7	3	5	(⁰)	1	2	(⁰)	1	(⁰)
1.6-1.9	(⁰)	-	(⁰)	-	(⁰)	-	-	-	-
2.0	31	10	21	-	1	8	8	1	3
2.1-2.4	1	1	-	-	-	-	-	-	-
2.5	3	1	3	-	(⁰)	2	(⁰)	-	(⁰)
3.0	4	1	4	2	-	2	-	(⁰)	(⁰)
More than 3.0	4	3	1	-	-	2	-	(⁰)	-
Multiple varying with earnings	1	-	1	-	(⁰)	(⁰)	1	(⁰)	-

See footnotes at end of table.

Table 64. Life insurance: Percent of full-time participants in plans with multiple-of-earnings formulas¹ by amount of basic insurance and maximum coverage provisions, small establishments, 1990—Continued

Formula	Total	In plans without maximum coverage	In plans with maximum coverage						
			All	Less than \$50,000	\$50,000-\$99,999	\$100,000-\$249,999	\$250,000-\$499,999	\$500,000-\$999,999	\$1,000,000 or more
Production and service									
Total	100	40	60	4	17	18	15	5	1
Life insurance is equal to annual earnings times: ²									
Less than 1.0	2	-	2	-	2	-	1	-	-
1.0	63	28	35	3	12	9	11	(³)	1
1.1-1.4	(³)	(³)	-	-	-	-	-	-	-
1.5	8	2	6	(³)	2	(³)	(³)	3	(³)
2.0	18	5	12	-	1	7	3	1	(³)
2.1-2.4	2	2	-	-	-	-	-	-	-
2.5	3	(³)	2	-	(³)	2	(³)	-	-
3.0	3	1	2	1	-	(³)	-	1	-
More than 3.0	1	1	(³)	-	-	(³)	-	-	-
Multiple varying with earnings	(³)	-	(³)	-	-	-	(³)	-	-

¹ 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.

² 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.

³ Less than 0.5 percent.

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

Table 65. Life insurance: Percent of full-time participants in plans with flat dollar insurance¹ by amount of basic insurance, small establishments, 1990

Amount of insurance	All participants	Professional, technical, and related participants	Clerical and sales participants	Production and service participants
Total	100	100	100	100
Less than \$2,000	(²)	-	1	(²)
\$2,000-\$4,999	4	3	2	6
\$5,000-\$9,999	16	9	18	17
\$10,000-\$14,999	50	42	50	52
\$15,000-\$19,999	13	15	10	14
\$20,000-\$24,999	7	8	7	7
\$25,000-\$29,999	5	6	6	4
\$30,000-\$49,999	1	3	2	(²)
\$50,000-\$99,999	3	7	3	1
\$100,000 and over	2	6	1	(²)

¹ Excludes participants in plans where insurance was a flat amount based on service.

² Less than 0.5 percent.

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

Table 66. Life insurance: Percent of full-time participants by provisions for age-related reduction of basic life insurance benefits for current employees, small establishments, 1990

Provision	All participants	Professional, technical, and related participants	Clerical and sales participants	Production and service participants
Total	100	100	100	100
Life insurance changes	39	41	41	36
Life insurance reduced	39	41	41	36
Reduction begins at:				
Age 60 or before	1	1	1	1
Age 65	23	24	26	21
Ages 66 to 69	(¹)	(¹)	(¹)	(¹)
Age 70	14	15	13	15
Age 71 or later	(¹)	(¹)	(¹)	-
Life insurance benefits do not change	61	59	59	64

¹ Less than 0.5 percent.

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

Table 68. Life insurance: Percent of full-time participants with accidental death and dismemberment benefits by amount of coverage, small establishments, 1990

Item	All participants	Professional, technical, and related participants	Clerical and sales participants	Production and service participants
Total	100	100	100	100
Multiple of life insurance benefit	96	97	97	95
Less than 1 times	1	1	2	1
1 times	94	95	94	94
Greater than 1 times	1	1	2	1
Flat amount	3	3	2	4
Less than \$5,000	1	(¹)	(¹)	2
\$5,000-\$9,999	1	1	1	1
\$10,000-\$19,999	1	1	1	1
\$20,000-\$29,999	1	1	1	1
\$30,000 or greater	(¹)	(¹)	(¹)	(¹)
Other ²	(¹)	(¹)	(¹)	1

¹ Benefits shown are payable for accidental death and are the maximum payable for dismemberment.

² Less than 0.5 percent.

³ 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 67. Life insurance: Percent of full-time participants with retiree life insurance coverage, small establishments, 1990

Item	All participants	Professional, technical, and related participants	Clerical and sales participants	Production and service participants
Total	100	100	100	100
With coverage ¹	19	15	21	19
Without coverage	74	75	72	76
Not determinable	7	9	7	5

¹ Includes plans in which coverage is fully paid by retiree.

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

Table 69. Life insurance: Percent of full-time participants in plans with multiple of earnings and flat dollar amounts of insurance by availability of supplemental benefits, small establishments, 1990

Item	All participants	Professional, technical, and related participants	Clerical and sales participants	Production and service participants
Multiple of earnings	100	100	100	100
With supplemental benefits	46	41	52	40
Without supplemental benefits	54	58	47	59
Not determinable	(¹)	1	(¹)	(¹)
Flat amount	100	100	100	100
With supplemental benefits	17	17	22	15
Without supplemental benefits	82	83	78	85
Not determinable	(¹)	(¹)	(¹)	(¹)

¹ Less than 0.5 percent.

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

Table 70. Life insurance: Percent of full-time participants with dependent coverage available, by type and amount of coverage, small establishments, 1990

Type and amount of coverage	All participants	Professional, technical, and related participants	Clerical and sales participants	Production and service participants
Total	100	100	100	100
Death of spouse	100	100	99	100
Flat benefit	72	72	67	76
Less than \$1,000	1	-	(¹)	2
\$1,000	14	15	7	18
\$1,500	1	-	2	(¹)
\$2,000	22	11	19	30
\$2,500	3	5	2	3
\$3,000	2	1	3	1
\$4,000	1	1	2	1
\$5,000	25	36	28	19
More than \$5,000	3	2	4	3
Benefit varies	20	24	26	15
By age of spouse	3	5	2	1
By employee earnings	(¹)	(¹)	(¹)	-
By employee option	14	16	19	10
By amount of employee life insurance coverage	4	2	5	4
Amount of coverage not determinable	7	3	7	9
Insurance on spouse not provided	(¹)	(¹)	1	-
Death of child	98	98	99	96
Flat benefit	69	71	70	67
Less than \$1,000	4	1	1	7
\$1,000	32	37	26	34
\$1,500	2	(¹)	4	2
\$2,000	12	11	15	10
\$2,500	10	15	11	6
\$3,000	2	2	2	1
\$4,000	1	(¹)	2	1
\$5,000	5	5	7	4
More than \$5,000	2	(¹)	2	2
Benefit varies	22	23	23	20
By age of child ²	8	8	6	10
By employee earnings	(¹)	(¹)	(¹)	-
By employee option	11	13	15	8
By amount of employee life insurance coverage	2	2	1	2
Amount of coverage not determinable	7	3	7	9
Insurance on child not provided	2	2	1	4

¹ Less than 0.5 percent.

² 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 71. Life insurance: Percent of full-time participants by length-of-service requirements for participation, small establishments, 1990

Length-of-service requirement	All participants	Professional, technical, and related participants	Clerical and sales participants	Production and service participants
Total	100	100	100	100
With service requirement	34	26	33	39
1 month	13	11	13	13
2 months	3	2	2	4
3 months	12	6	14	12
4-5 months	2	1	1	4
6 months	2	3	1	3
7-11 months	(¹)	(¹)	(¹)	(¹)
1 year	2	3	2	2
Over 1 year	(¹)	-	-	(¹)
Without service requirement	34	39	37	29
Service requirement not determinable	32	35	30	32
Not applicable—plan not available to new employees	(¹)	-	-	(¹)

¹ 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.

² Less than 0.5 percent.

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

Chapter 6. Defined Benefit Pension and Defined Contribution Plans

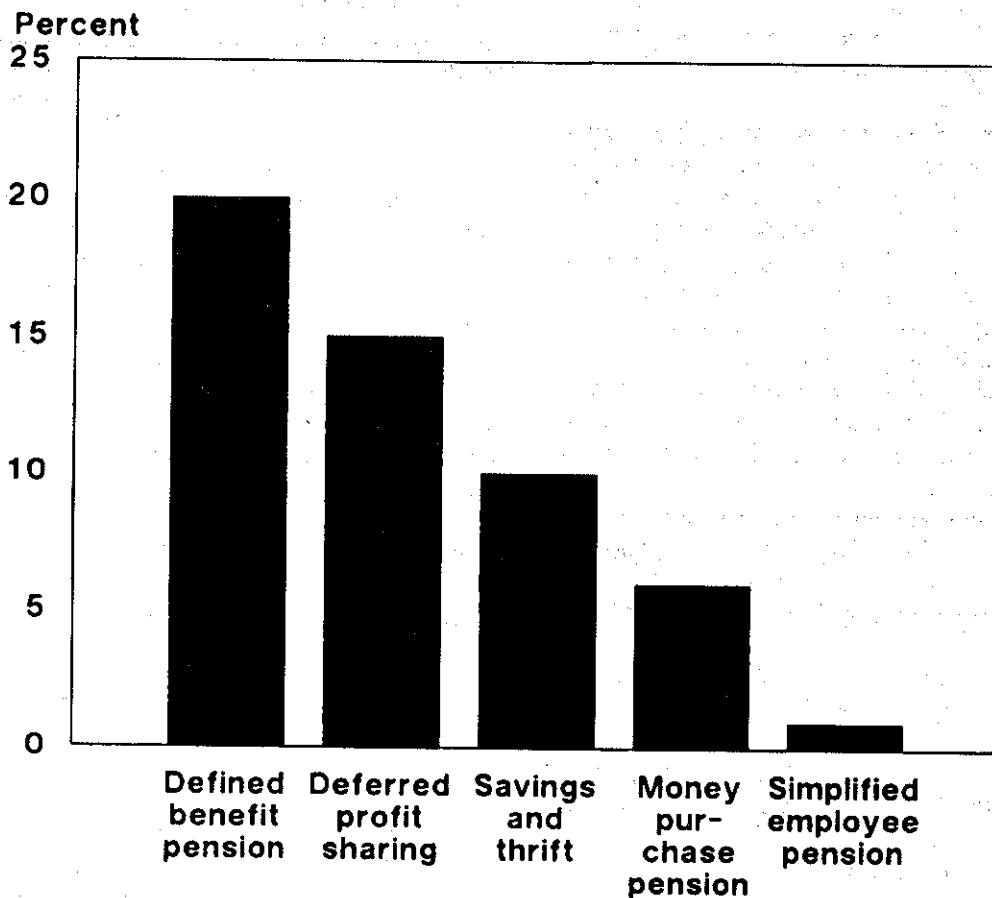
Slightly more than two-fifths of full-time employees in the small establishment survey had retirement and capital accumulation plans in 1990, through defined benefit or defined contribution plans (table 72). Defined benefit pension plans use predetermined formulas to calculate a retirement benefit, and obligate the employer to provide those benefits. Benefits generally are based on salary, years of service, or both.

Defined contribution plans generally specify the level of employer and employee contributions to a plan, but not the formula for determining eventual benefits as in a de-

defined benefit pension plan. Instead, individual accounts are set up for participants, and benefits are based on amounts credited to these accounts, plus investment earnings. The risk of fluctuation in investment earnings, however, is borne by the employee.

In the Bureau's first survey of small establishments, defined contribution plans were found to be most common, covering three-tenth of the full-time employees. Defined benefit plans covered one-fifth of full-time employees, including less than one-tenth who participated in both types of plans. (See chart 3.)

Chart 3. Retirement and capital accumulation plans: Percent of full-time employees in selected plans, small establishments, 1990



While all defined benefit plans and nearly all defined contribution plans were used for retirement purposes, a small percent of employees were in capital accumulation plans. These plans provide employees on opportunity to put aside assets for long-term purposes with little or no restrictions on withdrawals. For one-half of the participants in capital accumulation plans, this was in addition to a retirement plan (table 72).

A large majority of participants in retirement and capital accumulation plans were enrolled in only one plan. Participants in savings and thrift plans were most likely to have another retirement or capital accumulation plan available to them (table 73).

Defined Benefit Plans

In 1990, one-fifth of full-time employees in small establishments—approximately 6.5 million employees—participated in defined benefit pension plans. Full-time employees in small establishments, as mentioned above, were more likely to be covered by a defined contribution plan than a defined benefit pension plan.

Benefit formulas

Earnings-based formulas applied to about two-thirds of the full-time employees covered by defined benefit pension plans (table 74). 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).

While earnings-based formulas are widespread, variations are common in the approach to calculating annual earnings and the rate paid per year of service. For a large majority of participants with earnings formulas, pensions were based on earnings in the final years of employment (terminal-earnings formula); for the remainder, an average of career earnings was used (career-earnings formula.)

Participants with terminal-earnings formulas typically had earnings defined as the average over a 5-year period (table 75). 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 usually provided full-time 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 1.65 percent per year of service.

A large majority of participants in plans with formulas based on career earnings had benefit formulas that varied according to service, earnings, 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. Where career-earnings formulas specified a uniform percent for each year of service, the average was 1.52 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,²⁹ 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. Most participants were in plans that included only "basic" earnings, that is, straight-time earnings. Other participants 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 (\$20 times 30). Dollar-amount formulas applied to nearly one-fifth 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 dollar amounts credited per year averaged \$27.60 a month.

Two additional types of defined benefit pension plan formulas accounted for the remaining participants. *Percent-of-contribution formulas*, which specify a periodic contribution by an employer, and occasionally by an employee, to a plan, accounted for one-tenth of the pension participants in small establishments. Such formulas are common in multiemployer plans covering full-time employees in small establishments in such industries as contract construction and trucking. Benefits under percent-of-contribution formulas 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. (See chapter 7.)

The final type of plan, *cash account pension plans*, specify an employer contribution and guarantee a rate of interest on that contribution. Benefits are based on the value of each employee's account balance at retirement. While both percent-of-contribution and cash account pension formulas have features that resemble defined contribution plans, the fact that a certain level of benefit is guaranteed

²⁹ 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 final averages lessens with shorter periods of service.

by the employer leads to their classification as defined benefit plans by the Internal Revenue Service.

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. Social Security offsets are generally applied immediately upon retirement, whether or not the retiree is eligible for Social Security benefits. Some 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).

One-half of pension plan participants, including a large majority of those covered under terminal-earnings formulas, had formulas that were "integrated" with Social Security (table 75).

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 relatively high-paid employees. Many plans, however, have provisions that restrict benefit levels for all participants. For example, two-fifths of participants were in plans that limited the number of years of service included in benefit computations; maximums of 25, 30, or 35 years were most common.

Normal retirement

Just over one-half of defined benefit plan participants in small establishments could retire before age 65 (usually at age 62) and still receive full private pensions (normal retirement benefits). Workers who had to wait until age 65 for full benefits usually did not have to satisfy a length-of-service requirement (table 76).

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 nearly two-fifths of pension participants but one-half of these employees had to have worked 10 years or more.

Plans that allow retirement at any age with the required amount of service and those that require combining a worker's age and service to reach a specified sum for retirement with full benefits were rare—covering less than 1 of 10 pension plan participants.

Early retirement

Nearly all the full-time employees participating in defined benefit pension plans could retire before normal retirement age and receive an immediate, but reduced, pension (table 77). Early retirement was almost always solely at the employee's option. It was rare for a plan to require employer approval for early retirement benefits. The amount of an early retirement pension is reduced because benefits begin at an earlier age and the retiree is expected to receive plan payments over a longer period of time.

For virtually all participants in pension plans that allowed early retirement, the early retirement benefit was calculated using the normal retirement formula. The benefit derived from that formula is then reduced by a percentage (factor) for each year between the actual and normal retirement ages. If a plan's normal retirement age is 62, for example, and the reduction factor is 6 percent, a person retiring at age 59 would receive 82 percent of the normal formula amount (100 percent minus 18, i.e., 3 years times 6 percent). In addition to the 18-percent reduction for early retirement, the annuity in this example would be based on fewer years of service and possibly lower earnings than at age 62.

The reduction factor may be uniform or may vary by age or service. Reduction factors that differed by age were used in plans covering nearly three-fifths of participants with early retirement opportunities. Most of these participants were in plans with reduction factors that differed for each year of early retirement, based on the employee's life expectancy at that age (actuarial reductions). Other age-related methods of reducing benefits approximate an actuarial reduction. For example, the reduction factor may differ for age brackets of several years instead of changing each year. Two-fifths of participants had uniform reduction factors, most commonly 3 to 6 percent for each year of early retirement. In plans with a low uniform reduction, such as 3 percent per year, the employer is subsidizing some of the early retirement benefit by making the reduction less severe than if benefits were computed actuarially.

Nearly seven-tenths of all participants were covered by plans permitting early retirement at age 55; in most instances, 10 years of service was required. If service requirements were satisfied, some 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.

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. Nine out of 10 pension plan participants in small establishments

were covered by some type of disability retirement provision in 1990 (table 77). To be eligible for disability retirement benefits, participants often had to meet a service requirement, generally 10 years, or meet the qualifications of their long-term disability insurance plans.

Most full-time employees with disability retirement coverage were in plans with deferred benefits. Employees with deferred benefits may be given long-term disability insurance benefits that typically provide 50 or 60 percent of earnings at the time of disability; the amount was typically greater than the amount of an immediate disability retirement pension. Furthermore, most deferred retirement benefits were greater than immediate disability pensions, primarily because the time between the onset of disability and the start of pension payments was typically added to an employee's length of service for computation of pension benefits. (See chapter 3 for details of long-term disability benefit plans.)³⁰

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 1985-89 period covered fewer than 1 of 10 pension plan participants. Most of these increases were discretionary, or ad hoc, rather than automatic (table 77).

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, commonly a uniform amount. During the 1985-89 period, most pension plans granting ad hoc increases provided one increase, usually 10 percent of the current pension amount.

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.

Plans that provided for automatic increases in pension benefits to compensate for increases in the cost of living were rare. Where they were found, these cost-of-living-adjustment formulas usually were based on changes in the BLS Consumer Price Index.

Postretirement survivor benefits

ERISA also requires defined benefit pension plans to provide a periodic benefit to a retiree and to continue a benefit of at least 50 percent of the retiree's payments to the spouse

after the retiree's death. 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 1990.³¹

Joint-and-survivor annuities are based on an actuarial or arithmetic reduction of the employee's pension. Nearly one-half 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. Most of the remaining 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 the retiree's annuity.

Preretirement survivor benefits

Virtually all defined benefit pension plan participants also had survivor benefits available in case the employee died before retirement. Participants generally had to be vested before such benefits were available. (Vesting is the guaranteed right to future benefits. See the last section in this chapter for details.) For most participants, a surviving spouse would generally 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. Nearly all survivor pensions of this nature were based on an early retirement benefit and, aside from the joint-and-survivor reduction, usually were provided at no cost to the employee. The most common preretirement survivor annuity was 50 percent.

Participants not covered by joint-and-survivor annuities 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 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.

Defined Contribution Plans

Three-tenths of the full-time employees covered by the 1990 survey participated in one or more defined contribution plans. Nearly two-fifth of the white-collar workers, compared to one-fourth 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

³⁰ 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.

³¹ 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.

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 59½, 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.³²

Defined contribution retirement plans covered just over one-fourth of the employees covered by the 1990 survey. Taken together with participants in defined benefit pension plans (which, as described earlier in this chapter, are always for retirement purposes), two-fifths of the full-time employees covered by the survey participated in at least one retirement plan.

Defined contribution plans may also be classified by type of plan (table 78). The survey provided data on the following types: Profit-sharing plans (15 percent); savings and thrift plans (with 10 percent of employees participating); and money purchase pension plans (6 percent). Employee stock ownership plans, simplified employee pension plans, and stock bonus plans were rarely found.³³ Plans that allowed the purchase of company stock below the market price (stock purchase plans), or that allowed the purchase of stock in the future at a designated price (stock option plans) also were rare. Savings and thrift plans, money purchase pension plans, and profit-sharing plans were all more common among white-collar workers than blue-collar workers.

Nearly three-fifths of participants in defined contribution retirement plans had all contributions to these plans made by the employer. A large majority of contributory plans were savings and thrift plans, which involve employer matching of employee contributions.

Cash or deferred arrangements

Plans with a cash or deferred arrangement covered one-sixth of the full-time employees in the 1990 small establish-

³² It should be noted that most defined contribution plans can be used both 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, pre-retirement access to accumulated assets from defined contribution retirement plans is frequently possible. These plans nearly always permit preretirement withdrawals of the employer's contributions (for example, at age 59½, 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.

³³ 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. Simplified employee pension plans are arrangements under which establishments with 25 or fewer employees set up employer-financed accounts, similar to individual retirement accounts (IRA's), for eligible employees. Employee may elect to make voluntary contributions. Savings and thrift and profit-sharing plans are described later in this chapter.

ment survey (table 79).³⁴ These arrangements, also known as 401(k) plans, allow participants to 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 allow employees to contribute a part of their earnings to a retirement plan, and defer income taxes on those contributions and their earnings until they are withdrawn from the plan. 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 two-thirds 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, two-fifths of all participants in defined contribution plans could make voluntary salary reduction contributions to their plan. While nearly all participants in savings and thrift plans could make such contributions, fewer than one-fifth of those in deferred profit sharing plans and virtually none in money purchase plans had this option.

Savings and thrift plans

Savings and thrift plans covered 1 in 10 full-time employees. 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.

Savings and thrift plans allow employees to choose from a range of possible contribution rates. A plan, for example,

³⁴ 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.

might allow maximum employee contributions anywhere from 6 to 16 percent of pay. Ten percent was the most common maximum allowed in small establishments.

Virtually all participants in saving and thrift plans found in small establishments were allowed to make pretax contributions. However, the provisions governing pretax contributions vary widely. For example, some participants in plans allowing pretax contributions had an option to make either pretax or posttax contributions, others could make only pretax contributions, and still others had to make at least some of their contributions on a pretax basis.

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.

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 small establishments in 1990 was for an employer to match all of the employee's contribution up to the first 3 percent of earnings. In contrast with these straight percentage matches, the remainder of the participants received matching contributions that varied by length of service, level of employee contribution, company profits, or investment option chosen.³⁵

The vast majority of participants in savings and thrift plans were allowed to choose how they wanted their own contributions invested. Common 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 U.S. Treasury notes. The number of choices in these plans typically varied from two to five. 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. Two-fifths 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.

Prior to normal payout at retirement, disability, or termination of employment, two-fifths of the participants in

savings and thrift plans were allowed to withdraw all or a portion of employer contributions. Nearly half 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. A minority 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.

Another method of accessing an employee's account prior to final payout is through loan provisions—almost one-third of participants in savings and thrift plans were allowed to borrow from their accounts. Occasionally, participants were restricted to loans for emergency or hardship situations only. 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 majority of participants with loan provisions paid rates of interest that varied by the reason for the loan.

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 15 percent of all full-time employees in small establishments in 1990 (table 78). There are three types of profit-sharing plans—cash plans (covering less than 0.5 percent of the workers), deferred plans (15 percent), and plans that offer a combination of cash and deferred benefits (less than 0.5 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.

Four-fifths of the participants in deferred profit-sharing plans had no predetermined formula for employer contributions. The remaining participants were in plans where the employer contribution was determined by a specified formula, such as 4 percent of profits if annual sales exceeded \$1 million.

Once the employer contribution is determined, it may be allocated to individual participants in a number of

³⁵ For more details on employee and employer contributions to savings and thrift plans, see Michael Bucci, "Contributions to Savings and Thrift Plans," *Monthly Labor Review*, November 1990, pp.28-36.

ways. For nearly all participants, the method of allocation was as a proportion of salary. Other allocation methods included formulas based on earnings and service, participants' contributions as a percent of total contributions, and equal allocations to all participants.³⁶

Participation and Vesting In Defined Benefit and Defined Contribution Plans

Minimum age and/or service requirements for plan participation are more common in defined contribution plans than in defined benefit plans. To begin accumulating benefits, approximately nine-tenths of savings and thrift and deferred profit-sharing plan participants had to meet such requirements. In contrast, only two-thirds of defined benefit plan participants faced such provisions.

Of the defined benefit and defined contribution plans with participation requirements, most required a minimum amount of service and a designated minimum age. These plans most often specified that employees could not enter the plan until they reached age 21 and completed 1 year of service, the most restrictive requirements permitted under the Internal Revenue Code.³⁷

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. If certain conditions are satisfied at the time of separation, workers have a vested interest in all or a portion of their accrued defined benefit pension benefits and may begin receiving benefits years later. Vested benefits under such defined contribution plans as profit sharing and savings and thrift plans, however, are usually paid in a lump sum at employment termination.

All defined benefit pension and defined contribution plan participants are subject to the same vesting rules under the Employee Retirement Income Security Act. 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 con-

tributions; employee contributions (including pretax contributions) are always 100-percent vested.

Immediate full vesting, a feature growing among defined contribution plans but rarely found in defined benefit plans, was available to just over one-third of savings and thrift plan participants. Deferred profit-sharing plan participants were much less likely to receive immediate full vesting.

Graduated vesting, where the percentage of an employee's benefit that is guaranteed increases over time and reaches 100 percent, usually after 5 to 7 years, was most common in deferred profit-sharing and savings and thrift plans, with one-half of the participants covered by such a provision.³⁸ Nearly one-fifth of the defined benefit pension participants were covered under graduated vesting schedules.

"Cliff" vesting, where no vesting occurs until an employee satisfies the service requirements for 100-percent vesting, was found in a large majority of defined benefit plans, but was much less frequent in savings and thrift and deferred profit-sharing plans. Most participants in defined benefit and defined contribution plans subject to cliff vesting were fully vested after reaching 5 years of service.

For terminated and vested employees who wish to receive a defined benefit 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 most 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.³⁹

³⁶ For more details on profit-sharing plans, see Edward M. Coates, III, "Profit-sharing Today: Plans and Provisions," *Monthly Labor Review*, April 1991, pp. 19-25.

³⁷ However, some plans, such as those found in religious institutions, 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.

³⁸ 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.

³⁹ 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.

Table 72. Retirement and capital accumulation plan coverage: Percent of full-time employees by participation in retirement plans and capital accumulation plans, small establishments, 1990

Type of plan	All employees	Professional, technical, and related employees	Clerical and sales employees	Production and service employees
Total	100	100	100	100
Covered by retirement or capital accumulation plan	44	51	50	39
Retirement ¹ only	41	46	45	36
Capital accumulation ² only	2	2	2	2
Retirement and capital accumulation	2	3	2	1
Not covered by retirement or capital accumulation plan	56	49	50	61

¹ 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.

² 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 73. Retirement and capital accumulation plans: Percent of full-time participants by selected plan types and combinations of plans, small establishments, 1990

Type of plan	All participants	Professional, technical, and related participants	Clerical and sales participants	Production and service participants
Defined benefit	100	100	100	100
With:				
No other plan	73	69	70	79
Savings and thrift	18	21	20	14
Other combinations ¹	9	10	10	7
Savings and thrift	100	100	100	100
With:				
No other plan	63	63	63	63
Defined benefit	26	24	27	26
Other combinations ¹	11	13	10	10
Deferred profit sharing	100	100	100	100
With:				
No other plan	75	69	74	81
Other combinations ¹	25	31	26	19

¹ Includes combinations with one or more defined contribution plans, including money purchase, deferred profit sharing, savings and thrift, and stock plans.

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

Table 74. Defined benefit pension plans:¹ Percent of full-time participants by method of determining retirement payments, small establishments, 1990

Basis of payment ²	All participants	Professional, technical, and related participants	Clerical and sales participants	Production and service participants
Total	100	100	100	100
Terminal earnings formula	58	72	69	44
No alternative formula	49	61	56	37
Alternative formula	10	11	13	7
Career earnings formula	10	14	14	5
Dollar amount formula ³	20	7	8	35
Percent of contributions formula	11	6	8	15
Cash account	1	1	1	(⁴)

¹ Excludes supplemental pension plans.

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

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

⁴ 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 75. Defined benefit pension plans:¹ Percent of full-time participants by selected benefit-related plan features, small establishments, 1990

Item	All participants	Professional, technical, and related participants	Clerical and sales participants	Production and service participants
All pension formulas				
Benefit coordinated with Social Security ²	49	64	65	30
Offset by Social Security ³	27	36	41	12
Step-rate excess ⁴	22	28	26	17
Benefit subject to a limit on years of credited service	41	49	47	32
Terminal earnings formulas				
Earnings used in benefit computation:				
Three years	15	16	12	18
Five years	79	77	83	76
Other	6	7	5	6

¹ Excludes supplemental pension plans.

² Sum of individual items may not equal totals because some employees participated in plans with more than one type of coordination provision.

³ Benefit as calculated by formula is reduced by a portion of primary Social Security payments.

⁴ Formula applies lower benefit rate to earnings subject to FICA (Social Security) taxes or below a specific dollar breakpoint.

Table 76. Defined benefit pension plans:¹ Percent of full-time participants by minimum age and associated service requirements for normal retirement,² small establishments, 1990

Age and service requirement ²	All participants	Professional, technical, and related participants	Clerical and sales participants	Production and service participants	Age and service requirement ²	All participants	Professional, technical, and related participants	Clerical and sales participants	Production and service participants
Total	100	100	100	100	Age 62	37	25	34	44
No age requirement	4	4	3	5	No service requirement	15	9	14	19
25 years' service	1	-	1	1	5 years' service	4	1	4	6
30 years' service	3	4	2	4	10 years' service	6	4	2	10
More than 30 years' service ...	(*)	(*)	-	-	15 or 20 years' service	9	10	13	6
Age 55	2	1	1	3	25 years' service	2	1	(*)	3
10 years' service	(*)	(*)	(*)	(*)	30 years' service	1	(*)	1	1
20 years' service	1	1	1	2	Age 63-64	1	1	1	2
30 years' service	(*)	(*)	(*)	1	No service requirement	1	1	1	1
Age 56-59	1	(*)	-	1	5 years' service	(*)	-	-	1
10 years' service	1	(*)	-	1	Age 65	46	58	53	35
Age 60	6	5	5	7	No service requirement	32	48	39	21
6-9 years' service	(*)	1	(*)	-	5 years' service	5	4	5	6
10 years' service	2	(*)	1	3	10 years' service	5	3	3	7
15 years' service	(*)	(*)	(*)	-	15 years' service	1	-	3	-
20 years' service	1	(*)	1	1	20 years' service	1	2	3	(*)
25 years' service	1	3	1	1	25 years' service	(*)	1	(*)	(*)
30 years' service	2	(*)	2	2	30 years' service	1	1	(*)	1
More than 30 years' service ...	(*)	-	-	(*)	Sum of age plus service ⁵	4	6	4	2
					Equals 80	1	2	1	(*)
					Equals 85	2	3	2	1
					Equals 90	1	1	1	1

¹ Excludes supplemental pension plans.

² 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.

³ 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.

⁴ Less than 0.5 percent.

⁵ 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 77. Defined benefit pension plans:¹ Percent of full-time participants by selected plan features, small establishments, 1990

Item	All participants	Professional, technical, and related participants	Clerical and sales participants	Production and service participants
Early retirement permitted	95	97	97	93
Disability benefits provided	91	85	92	92
Lump sum payment or ad hoc pension increase provided between 1985-89	7	6	7	7
Cost-of-living increases provided	2	2	3	1

¹ Excludes supplemental pension plans.

Table 78. Defined contribution and stock plans: Percent of full-time employees participating by type of plan, small establishments, 1990

Type of plan	All employees	Professional, technical, and related employees	Clerical and sales employees	Production and service employees
Savings and thrift	10	16	15	5
Profit sharing	15	17	17	13
Immediate cash only	(¹)	-	(¹)	-
Deferred benefits only	15	16	17	13
Combination	(¹)	1	(¹)	(¹)
Employee stock ownership	1	1	1	(¹)
Money purchase pension	6	9	6	6
Stock bonus	(¹)	-	(¹)	-
Simplified employee pension	1	1	1	(¹)

¹ Less than 0.5 percent.

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

Table 79. Cash or deferred arrangements:¹ Percent of full-time employees participating in plans permitting employee contributions with pretax dollars, small establishments, 1990

Item	All employees	Professional, technical, and related employees	Clerical and sales employees	Production and service employees
Percent of all employees in plans with cash or deferred arrangement	17	28	23	10
Salary reduction plans ²	15	23	21	9
Savings and thrift plans	10	16	15	5
Profit sharing plans	2	2	3	2
Supplemental contributions to money purchase pension plans	(¹)	(¹)	(¹)	(¹)
Freestanding accounts ⁴	2	5	3	1
Regular contributions to pension plans on a pretax basis	2	4	2	2
Defined benefit plans ⁵	(¹)	(¹)	(¹)	(¹)
Money purchase plans	2	3	2	2
Deferral of profit sharing allocation ⁶	(¹)	1	(¹)	(¹)

¹ 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.

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

³ Less than 0.5 percent.

⁴ Employer contributions are not made to the plan.

⁵ 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.

⁶ 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.

Chapter 7. 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 the 1990 small establishment survey (table 80). A large majority of participants in life insurance, health care, long-term disability insurance, and defined benefit pension plans were in single-employer plans. Just over one-half of sickness and accident insurance participants were in single-employer plans; most of the remaining participants were covered by State-mandated temporary disability insurance benefit plans.⁴⁰ (State plans are discussed in chapter 5.)

Multiemployer plans typically result from collective bargaining 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 plans were by far the most common benefit sponsored by multiemployer groups, and production-service employees were the most likely recipients of such a benefit. Other benefits often sponsored by multiemployer groups included health care and sickness and accident insurance.

Multiemployer defined benefit pension plans are found much more frequently in small establishments (fewer than 100 employees) than in medium and large establishments. The larger representation of multiemployer plans in small establishments results from the high incidence of small establishments in such industries as contract construction and trucking.

Plan financing

Generally, there were many more participants in wholly employer-financed plans than in partly employer-financed plans (table 81). Employee contributions were most often

⁴⁰ 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.

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.

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 plans, where wholly employer-financed plans were more common for white-collar workers, and long-term disability insurance, where the ratio of contributory to noncontributory plans was similar for all occupational groups.

Flexible benefits plans and reimbursement accounts

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

Full-time employees in small establishments rarely were offered flexible benefits plans (table 82). Such plans, often called cafeteria plans, allow employees to design individual benefit packages by choosing between two or more types of benefits. Most commonly, an employee was able to choose from a menu of medical care benefits, dental plans, and varying levels of life and long-term disability insurance, as well as the option of purchasing extra days of vacation. Other options offered included vision care benefits, sickness and accident insurance, and cash in lieu of benefits.

Generally, an amount of "credits" or employer money is allocated to the employee who may then contribute additional funds if the cost of the benefits chosen exceeds the employer's allotment. In some plans, the employee is required to purchase a minimum amount of some benefits. For instance, an employee may have to choose a medical care plan and purchase a certain level of life insurance.

Reimbursement accounts were offered to nearly 1 in 10 full-time employees covered by the 1990 small establish-

ment survey. A greater proportion of white-collar than blue-collar workers in small establishments were eligible. These accounts, also called flexible spending accounts, provide funds from which employees pay for expenses not covered by their regular benefits package. Commonly, medical care reimbursement accounts could be used to pay for deductibles, the employee's coinsurance, and for services not covered under a medical care plan. Dependent care accounts could be used to reimburse the employee for expenses associated with the care of dependent children and adults. Additionally, many accounts allowed for the pretax payment of medical care and other insurance premiums.

Reimbursement accounts are usually funded solely by employee pretax money, although some accounts are funded either wholly or partially 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 medical care deductibles and coinsurance and for other health expenses

not covered by their medical care plan. Nearly all 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 also be allocated for the payment of the employees' share of health care premiums, other insurance premiums, such as life insurance or a spouse's insurance premiums, and legal services.

Nine of 10 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, which resulted in lower income tax liabilities.

Individual benefit plans offered through a flexible benefits plan were analyzed and included in the tabulations for specific benefit areas in this bulletin.⁴¹

⁴¹ For information on flexible benefits plans in medium and large private establishments, see Joseph R. Meisenheimer and William J. Wiatrowski, "Flexible benefits plans: employees who have a choice," *Monthly Labor Review*, December 1989, pp. 17-23.

Table 80. Plan administration: Percent of full-time participants in selected employee benefit programs by type of plan sponsor, small establishments, 1990

Plan sponsor	Medical care	Life insurance	Sickness and accident insurance	Long-term disability insurance	Defined benefit pension
All participants					
Total	100	100	100	100	100
Single employer	88	94	52	98	73
Multiemployer ¹	8	5	9	1	24
Mandated benefits ²	1	(³)	39	1	2
Employer association ⁴	3	1	1	(³)	2
Professional, technical, and related					
Total	100	100	100	100	100
Single employer	91	96	55	98	82
Multiemployer ¹	4	1	-	(³)	12
Mandated benefits ²	1	(³)	44	2	5
Employer association ⁴	3	3	1	(³)	1
Clerical and sales					
Total	100	100	100	100	100
Single employer	90	96	49	98	85
Multiemployer ¹	5	2	3	-	12
Mandated benefits ²	2	(³)	47	2	2
Employer association ⁴	3	2	1	(³)	1
Production and service					
Total	100	100	100	100	100
Single employer	84	91	52	97	59
Multiemployer ¹	13	9	14	2	37
Mandated benefits ²	1	-	32	(³)	1
Employer association ⁴	2	1	1	(³)	3

¹ 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.

² 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 participants were covered by Railroad Retirement Tier 2.

³ Less than 0.5 percent.

⁴ 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 81. Plan financing: Percent of full-time participants in selected employee benefit programs by source of financing, small establishments, 1990

	Sickness and accident insurance	Long-term disability insurance	Medical care for employee	Medical care for family	Dental care for employee	Dental care for family	Life insurance	Defined benefit pension
All participants								
Total	100	100	100	100	100	100	100	100
Wholly employer financed	64	84	58	33	58	37	83	95
Partly employer financed	36	16	42	67	42	63	17	5
Professional, technical, and related								
Total	100	100	100	100	100	100	100	100
Wholly employer financed	57	85	57	28	51	28	87	91
Partly employer financed	43	15	43	72	49	72	13	9
Clerical and sales								
Total	100	100	100	100	100	100	100	100
Wholly employer financed	60	84	53	30	55	34	85	94
Partly employer financed	40	16	47	70	45	66	15	6
Production and service								
Total	100	100	100	100	100	100	100	100
Wholly employer financed	69	84	61	37	65	45	79	96
Partly employer financed	31	16	39	63	35	55	21	4

Table 82. Flexible benefits plans and reimbursement accounts:¹ Percent of full-time employees eligible, small establishments, 1990

Coverage	All eligible employees	Professional, technical, and related employees	Clerical and sales employees	Production and service employees
Total	100	100	100	100
Provided flexible benefits and/or reimbursement accounts	8	13	9	5
Flexible benefits plan with reimbursement accounts	1	3	2	(²)
Flexible benefits plan with no reimbursement accounts	(²)	(²)	(²)	(²)
Freestanding reimbursement accounts	6	11	7	4
Not provided flexible benefits or reimbursement accounts	92	87	91	95

¹ 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.

² Less than 0.5 percent.

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

Chapter 8. Benefits by type of establishment

The Employee Benefits Survey provides data on the incidence and characteristics of employee benefits for full and part-time workers in private industry and State and local government.⁴² Data are presented separately for small establishments; medium and large establishments; and State and local governments. In the future, combined data from each of the sectors of the economy will be available.

Included in the small establishment survey are small independent businesses, such as a local grocery store, and small establishments that were part of larger enterprises, such as a local service unit of a large manufacturing company. Separate data are presented in this chapter on the incidence of benefits among employees in small, independent businesses, which account for about three-fourths of the workers in all small establishments in 1990.

A summary of the results of prior Employee Benefits Surveys is also presented. The data from these surveys indicate some of the major benefit trends that have been tracked since 1979.

Benefits in small, independent businesses

In 1990, the proportion of full-time employees in small independent businesses who received specific employee benefits was generally less than that found among all full-time employees in small establishments. For example, paid funeral leave was available to 47 percent of full-time employees in all small establishments and to 38 percent of such employees in small independent businesses (table 83).

Paid vacations and holidays were the most prevalent benefits available to full-time employees in small independent businesses in 1990, covering 86 and 81 percent of workers, respectively. Just under half of the full-time employees in small independent businesses had paid jury-duty leave, paid sick leave, and paid rest time, while other time-off benefits were less common.

About two-thirds of the full-time workers in small independent businesses participated in medical care plans in 1990, while nearly three-fifths had life insurance protection. Other insurance coverage was much less prevalent: dental care and sickness and accident insurance plans each covered nearly one-fourth of full-time employees in small

⁴² Data on full and part-time employees in State and local governments will be available in late 1991. Data on full- and part-time employees in medium and large private establishments will be available in 1992.

independent businesses in 1990, while about an eighth had long-term disability insurance protection.

Retirement plans covered one-third of full-time employees in small, independent businesses in 1990, compared to two-fifths in all small establishments. Most of this difference resulted from the significantly lower incidence of defined benefit pension plans in small independent businesses.

Among other benefits studied, the most prevalent practice available to full-time employees in small independent businesses was employer-subsidized parking—nearly nine-tenths of such workers received parking benefits in 1990 (table 84). Few of the other items studied were widespread among all full-time workers in small establishments. In small, independent businesses, these benefits, for the most part, were even less prominent.

Employee Benefits Survey, 1979-89

Table 85 provides a summary of the major findings of the Employee Benefits Survey in medium and large establishments from 1979-86 and 1988-89, and in State and local governments in 1987. In comparing the data on small establishments presented throughout this bulletin with those from prior surveys, significant variations are evident. For example, over nine-tenths of full-time employees in medium and large establishments participated in a medical care plan in 1989, compared with seven-tenths of full-time employees in small establishments in 1990. Data on the percent of workers receiving other employee benefits reveal similar differences by size of establishment.⁴³

The data from prior Employee Benefits Surveys can also be used to track benefit trends during the 1980's, specifically in medium and large private establishments. Among the trends evident is the increase in the percent of workers required to contribute toward health care premiums, and the decline in the percent of workers with defined benefit pension plan coverage.⁴⁴ Differences in the incidence and characteristics of public and private sector benefits are also evident.

⁴³ For more data on benefits by size of establishments among medium and large establishments, see Thomas P. Burke and John D. Morton, "How Firm Size and Industry Affect Employee Benefits," *Monthly Labor Review*, December 1990, pp. 35-43.

⁴⁴ Some of the differences noted in medium and large establishment data are due to changes in the size and industries of establishments, beginning in 1988. See *Employee Benefits in Medium and Large Establishments, 1988*, BLS Bulletin 2336, for more details.

Table 83. Summary: Percent of full-time employees participating¹ in selected employee benefit programs, small independent businesses,² 1990

Employee benefit program	All employees	Professional, technical, and related employees	Clerical and sales employees	Production and service employees	Employee benefit program	All employees	Professional, technical, and related employees	Clerical and sales employees	Production and service employees
Paid:					Dental care—continued				
Holidays	81	95	90	71	Family coverage:				
Vacations	86	95	92	80	Wholly employer financed	9	10	9	9
Personal leave	10	19	12	6	Partly employer financed	14	21	17	10
Lunch period	8	8	8	9	Life insurance	57	75	62	49
Rest time	46	47	43	48	Wholly employer financed	47	64	52	39
Funeral leave	38	52	44	30	Partly employer financed	10	11	10	10
Jury duty leave	47	67	53	37	All retirement ³	35	43	36	33
Military leave	15	22	18	11	Defined benefit pension	12	11	10	13
Sick leave	40	68	51	25	Wholly employer financed	11	10	9	12
Maternity leave	2	3	3	1	Partly employer financed	1	2	1	1
Paternity leave	(⁴)	(⁴)	(⁴)	(⁴)	Defined contribution ⁵	28	38	32	22
Unpaid:					Uses of funds:				
Maternity leave	14	23	16	10	Retirement ⁶	26	36	29	21
Paternity leave	7	15	8	5	Wholly employer financed ⁷	16	19	17	15
Sickness and accident insurance					Partly employer financed	10	17	13	6
Wholly employer financed	23	24	22	23	Capital accumulation ⁸	2	4	3	1
Wholly employer financed	14	15	13	15	Wholly employer financed ⁷	1	2	2	(⁴)
Partly employer financed	9	10	9	8	Partly employer financed	1	2	2	1
Long-term disability insurance					Types of plans:				
Wholly employer financed	14	32	17	6	Savings and thrift	7	13	10	4
Wholly employer financed	12	28	16	6	Deferred profit sharing	14	15	16	13
Partly employer financed	1	4	2	(⁴)	Employee stock ownership	1	2	(⁴)	(⁴)
Medical care					Money purchase pension	7	12	7	6
Employee coverage:	67	83	73	58	Stock bonus	-	-	-	-
Wholly employer financed	41	51	43	36	Simplified employee pension	1	1	1	(⁴)
Partly employer financed	26	32	31	22	Stock option	(⁴)	-	(⁴)	-
Family coverage:					Stock purchase	-	-	-	-
Wholly employer financed	23	25	23	21	Cash only profit-sharing	-	-	-	-
Partly employer financed	44	58	50	37	Flexible benefits plans	(⁴)	(⁴)	(⁴)	(⁴)
Dental care					Reimbursement accounts	5	11	5	3
Employee coverage:	23	30	26	19					
Wholly employer financed	14	17	15	13					
Partly employer financed	9	13	11	6					

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

² See appendix A for scope of study.

³ Includes defined benefit pension plans and defined contribution retirement plans. The total is less than the sum of the individual items because many employees participated in both types of plans.

⁴ Less than 0.5 percent.

⁵ 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.

⁶ 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.

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

⁸ 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.

NOTE: Because of rounding, sums of individual items may not equal totals. Where applicable, dash indicates no employees in this category. In a few instances, the figures differ slightly from those published in the June 10, 1991 news release, USDL 91-260.

Table 84. Other benefits: Percent of full-time employees eligible for specified benefits, small independent businesses, 1990

Employee benefit	All employees	Professional, technical, and related employees	Clerical and sales employees	Production and service employees
Income continuation plans:				
Severance pay	16	29	21	10
Supplemental unemployment benefits	(¹)	(¹)	(¹)	(¹)
Transportation benefits:				
Free or subsidized employee parking	87	87	86	88
Subsidized commuting	1	1	(¹)	1
Job-related travel accident insurance	10	18	11	6
Gifts and cash bonuses:				
Gifts	8	6	8	9
Nonproduction bonuses	48	43	51	47
Financial and legal services:				
Financial counseling	2	6	1	1
Prepaid legal services	2	3	3	1
Family benefits:				
Employer assistance for child care	1	1	1	1
Employer financial assistance for adoption	(¹)	(¹)	(¹)	(¹)
Eldercare	2	7	1	1
Long-term care insurance	1	(¹)	1	1
Health promotion programs:				
In-house infirmary	4	10	3	2
Wellness programs	4	7	4	3
Employee assistance programs	8	15	7	7
Miscellaneous benefits:				
Employee discounts	38	29	45	37
Employer-subsidized recreation facilities	4	8	3	3
Subsidized meals	3	3	1	4
Sabbatical leave	-	-	-	-
Relocation allowance	7	17	8	3
Education assistance:				
Job related	29	44	33	22
Not job related	3	7	3	1

¹ Less than 0.5 percent.

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

Table 85. Summary: Percent of full-time employees participating in selected employee benefit programs and percent of participants with selected features, medium and large establishments, 1979-86, 1988-89, and State and local governments, 1987

Item	1979	1980	1981	1982	1983	1984	1985	1986	1987	1988	1989
Percent of employees participating in the following benefit plans:											
Paid lunch time	13	10	10	9	11	9	10	10	17	11	10
Average minutes per day	-	-	-	25	25	26	27	27	34	29	26
Paid rest time	75	75	75	76	74	73	72	72	58	72	71
Average minutes per day	-	-	-	25	25	26	26	26	29	26	26
Paid funeral leave	-	-	-	-	-	-	88	88	56	85	84
Average days per occurrence	-	-	-	-	-	-	3.2	3.2	3.7	3.2	3.3
Paid holidays	99	99	99	99	99	99	98	99	81	96	97
Average days per year	-	10.1	10.2	10.0	9.8	9.8	10.1	10.0	10.9	9.4	9.2
Paid vacations	100	100	99	99	100	99	99	100	72	98	97
Paid sick leave	56	62	65	67	67	67	67	70	97	69	68
Paid personal leave	19	20	23	24	25	23	26	25	38	24	22
Percent of employees participating in medical care plans	97	97	97	97	96	97	96	95	93	90	92
Percent of medical care participants with:											
Coverage for home health care	-	-	-	-	37	46	56	66	76	76	75
Coverage for extended care facilities	54	58	60	62	58	62	67	70	78	79	80
Coverage for mental health care	98	98	99	99	99	99	99	99	98	98	97
Coverage for alcohol abuse treatment	-	-	-	50	53	61	68	70	87	80	97
Coverage for drug abuse treatment	-	-	-	37	43	52	61	66	86	74	96
Required employee contribution for self coverage	27	26	27	27	33	36	36	43	35	44	47
Average monthly contribution	-	-	-	-	\$10.13	\$11.93	\$12.05	\$12.80	\$15.74	\$19.29	\$25.31
Required employee contribution for family coverage	-	46	49	51	54	58	56	63	71	64	66
Average monthly contribution	-	-	-	-	\$32.51	\$35.93	\$38.33	\$41.40	\$71.89	\$60.07	\$72.10
Percent of employees participating in defined benefit pension plans	87	84	84	84	82	82	80	76	93	63	63
Percent of pension plan participants with:											
Normal retirement prior to age 65	-	55	56	58	64	63	67	64	92	59	62
Early retirement available	-	98	98	97	97	97	97	98	90	98	97
Ad hoc pension increase in last 5 years	-	-	-	-	51	47	41	35	33	26	22
Terminal earnings formula	52	53	50	52	54	54	57	57	100	55	64
Benefit coordinated with Social Security	-	45	43	45	55	56	61	62	18	62	63
Percent of employees participating in defined contribution plans	-	-	-	-	-	-	53	60	9	45	48
Percent of employees with tax-deferred savings arrangements	-	-	-	-	-	-	-	33	28	36	41
Percent of employees participating in life insurance plans	96	96	96	96	96	96	96	96	85	92	94
Percent of life insurance participants with:											
Accidental death and dismemberment insurance	72	69	72	72	72	74	73	72	67	76	71
Survivor income benefits	-	-	-	-	-	-	13	10	1	8	7
Retiree protection available	-	-	64	64	66	64	62	59	55	49	42
Percent of employees participating in long-term disability insurance plans	49	40	41	43	45	47	48	48	31	42	45
Percent of employees participating in sickness and accident insurance plans	65	54	50	51	49	51	52	49	14	46	43
Percent of employees eligible for flexible benefits plans	-	-	-	-	-	-	-	2	5	5	9
Percent of employees eligible for reimbursement accounts	-	-	-	-	-	-	-	5	5	12	23

¹ NOTE: Dash indicates data not collected in this year.

Chapter 9. Benefits for part-time employees

For the first time, information on part-time⁴⁵ workers is included in the Bureau's 1990 small establishment survey on the incidence and details of employee benefits. Paid vacations and holidays were the most prevalent benefits available to part-time workers, while insurance and retirement protection was rare (table 86).

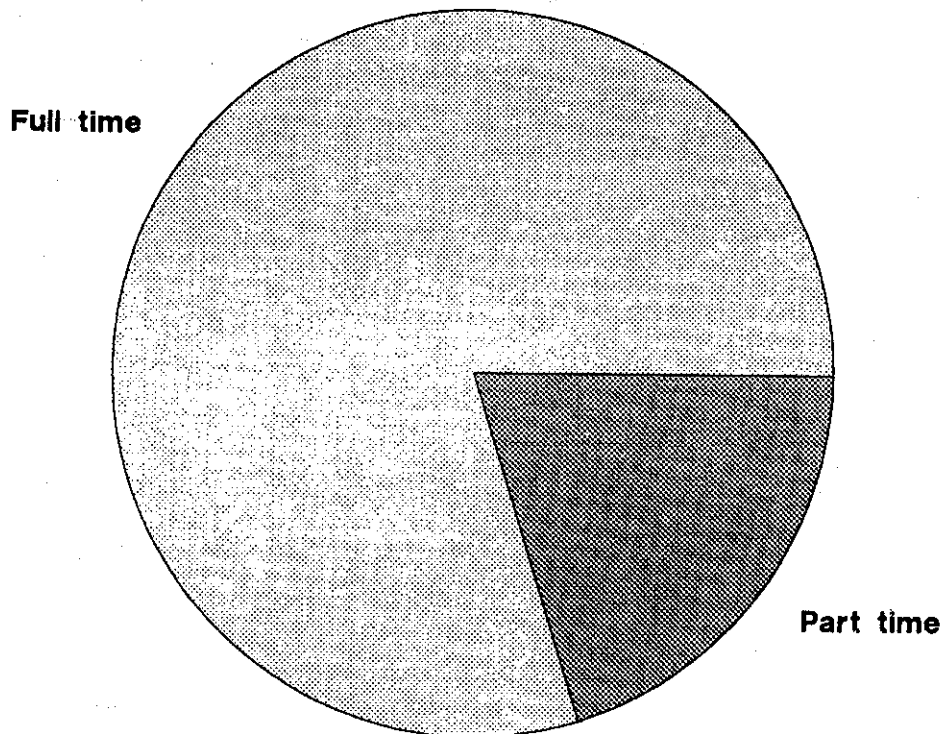
Few part-time workers within the scope of the Employee Benefits Survey were provided medical care, life insurance, private retirement plans, or parental leave. In contrast, full-time employees in small private establish-

ments were more than 4 times as likely to have retirement plans and parental leave, and nearly 10 times as likely to be covered by medical care and life insurance benefits.

Because of the limited incidence of benefits among part-time workers, plan provisions could not be examined to the same extent as for full-time workers. (See chart 4.)

⁴⁵ Employees are classified as full-time or part-time in accordance with the practices of surveyed establishments. Part-time workers are typically scheduled to work fewer hours per week than full-time workers in the same work activity.

Chart 4. Percent of full-time and part-time employees in small establishments, 1990



Work schedule

The number of hours per day and hours per week for which part-time employees were scheduled to work varied widely. Most prevalent were work schedules of 4 or 5 hours per day, typically 5 days per week. Total hours were frequently between 15 and 30 per week. Part-time white-collar employees tended to work longer hours per day but fewer days per week than blue-collar workers.

Time off

Paid time off was the most prevalent type of benefit program available to the part-time workforce. Nearly three-tenths of all part-time employees were eligible for paid vacations, paid holidays, and paid rest periods.

When paid time-off benefits were provided to part-time employees, there were often significant differences between the number of days off part-time workers and full-time workers received. For example, part-time employees received an average of 6.7 paid holidays per year, while full-time workers received pay for 9.5 holidays. Also common were provisions that were prorated based on the work schedule of the part-time employee.

Additionally, part-time employees received fewer paid vacation days than full-time workers. Part-time employees eligible for paid vacations were granted an average of 9.1

days at 5 years of service, compared to 11.5 days for full-time employees. At 20 years of service, part-time vacation participants averaged 12 days, while full-time participants averaged 15 days.

Other types of leave were less common. Just over one-tenth of part-time employees were eligible for paid jury duty, paid sick leave, or paid funeral leave. Maternity leave and paternity leave, either paid or unpaid, were rarely provided to part-time workers.

Insurance, retirement, and other benefits

Insurance benefits—sickness and accident insurance, long-term disability insurance, medical care, dental care, and life insurance—were available to one-tenth or fewer part-time workers.

Similarly, one-tenth of part-time workers were eligible to participate in a retirement plan. As with full-time workers, defined contribution plans were the most prevalent type of retirement plans observed. Defined benefit pension plans were rarely available to part-time workers in the survey.

The incidence of other benefits, such as severance pay, financial and legal services, family-related benefits (including childcare and eldercare), and health promotion programs, was rare (table 87).

Table 86. Summary: Percent of part-time employees participating¹ in selected employee benefit programs, small establishments,² 1990

Employee benefit program	All employees	Professional, technical, and related employees	Clerical and sales employees	Production and service employees	Employee benefit program	All employees	Professional, technical, and related employees	Clerical and sales employees	Production and service employees
Paid:					Dental care—continued				
Holidays	28	35	37	19	Family coverage:				
Vacations	29	28	34	26	Wholly employer financed	1	(³)	1	2
Personal leave	4	13	4	2	Partly employer financed	1	1	1	1
Lunch period	5	(³)	6	6	Life insurance	6	5	8	6
Rest time	27	5	34	25	Wholly employer financed	6	5	7	5
Funeral leave	11	17	17	5	Partly employer financed	1	(³)	1	1
Jury duty leave	13	7	17	10	All retirement ⁴	10	7	15	7
Military leave	3	1	5	3	Defined benefit pension	4	1	5	4
Sick leave	10	35	11	5	Wholly employer financed	4	1	5	3
Maternity leave	1	(³)	1	(³)	Partly employer financed	(³)	-	(³)	(³)
Paternity leave	-	-	-	-	Defined contribution ⁵	7	6	12	4
Unpaid:					Uses of funds:				
Maternity leave	4	1	5	4	Retirement ⁶	7	6	11	4
Paternity leave	2	1	4	1	Wholly employer financed ⁷	5	5	8	3
Sickness and accident insurance	10	27	9	8	Partly employer financed	2	1	3	1
Wholly employer financed	4	16	2	4	Capital accumulation ⁸	1	(³)	1	(³)
Partly employer financed	6	11	8	4	Wholly employer financed ⁷	(³)	-	1	(³)
Long-term disability insurance	(³)	2	1	(³)	Partly employer financed	(³)	(³)	(³)	(³)
Wholly employer financed	(³)	2	(³)	(³)	Types of plans:				
Partly employer financed	(³)	-	(³)	(³)	Savings and thrift	1	1	2	1
Medical care	6	6	7	6	Deferred profit sharing	5	5	8	3
Employee coverage:					Employee stock ownership	(³)	-	1	-
Wholly employer financed	5	3	5	5	Money purchase pension	1	1	2	(³)
Partly employer financed	2	3	2	2	Stock bonus	(³)	-	(³)	-
Family coverage:					Simplified employee pension	(³)	-	(³)	-
Wholly employer financed	3	(³)	3	3	Stock option	(³)	-	(³)	-
Partly employer financed	4	5	4	3	Stock purchase	(³)	-	(³)	-
Dental care	3	1	3	3	Cash only profit-sharing	-	-	-	-
Employee coverage:					Flexible benefits plans	1	-	1	1
Wholly employer financed	2	1	2	2	Reimbursement accounts	1	(³)	1	1
Partly employer financed	1	(³)	1	1					

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

² See appendix A for scope of study.

³ Less than 0.5 percent.

⁴ 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.

⁵ 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.

⁶ 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.

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

⁸ 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.

NOTE: Because of rounding, sums of individual items may not equal totals. Where applicable, dash indicates no employees in this category. In a few instances, the figures differ slightly from those published in the June 10, 1991 news release, USDL 91-260.

Table 87. Other benefits: Percent of part-time employees eligible for specified benefits, small establishments, 1990

Employee benefit	All employees	Professional, technical, and related employees	Clerical and sales employees	Production and service employees
Income continuation plans:				
Severance pay	4	3	5	3
Supplemental unemployment benefits	-	-	-	-
Transportation benefits:				
Free or subsidized employee parking	84	65	85	87
Subsidized commuting	(¹)	1	-	(¹)
Job-related travel accident insurance	3	(¹)	6	1
Gifts and cash bonuses:				
Gifts	7	9	8	7
Nonproduction bonuses	33	37	34	31
Financial and legal services:				
Financial counseling	(¹)	1	(¹)	(¹)
Prepaid legal services	1	-	1	(¹)
Family benefits:				
Employer assistance for child care	1	(¹)	(¹)	2
Employer financial assistance for adoption	(¹)	(¹)	(¹)	(¹)
Eldercare	1	1	2	1
Long-term care insurance	-	-	-	-
Health promotion programs:				
In-house infirmary	1	1	1	(¹)
Wellness programs	2	(¹)	3	2
Employee assistance programs	4	3	7	2
Miscellaneous benefits:				
Employee discounts	46	28	47	48
Employer-subsidized recreation facilities	1	(¹)	1	2
Subsidized meals	10	1	3	17
Sabbatical leave	-	-	-	-
Relocation allowance	2	2	3	(¹)
Education assistance:				
Job related	10	18	12	6
Not job related	1	1	1	1

¹ Less than 0.5 percent.

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 is collected jointly with the Bureau's Employment Cost Index (ECI). The portion of the sample from which these estimates are made covers all private sector establishments in the United States employing fewer than 100 workers at the time of sample selection¹. All private sector industries are covered in the survey with the exception of farms and private households. All employees are covered except the self-employed.

The industrial coverage, establishment size coverage, and geographic coverage for this survey differs from the earlier surveys conducted annually from 1979 to 1989. The private sector surveys conducted from 1979 to 1986 excluded most of the service industries and included establishments that employed at least 50, 100, or 250 workers, depending on the industry. The survey conducted in 1987 consisted of State and local governments with 50 or more employees. The surveys conducted in 1988 and 1989 included all private sector establishments that employed 100 or more employees. All surveys conducted from 1979 to 1989 excluded establishments in Alaska and Hawaii.

Tables A-1 and A-2 show the estimated number of establishments and full- and part-time employees within the scope of the survey, the number of responding sample establishments, and the number of sampled (and responding) occupational quotes² within those establishments that were actually studied for each major industry division.

Occupational groups

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

Professional, technical, and related. Includes professional, technical, executive, administrative, managerial, and related occupations.

Clerical and sales. Includes clerical, administrative support, and sales occupations.

Production and service. Includes precision production, craft, and repair occupations; machine operators and inspectors; transportation and moving occupations; handlers, equipment cleaners, helpers, and laborers; and service occupations.

Employees excluded from the survey are the self-employed, proprietors, major stockholders, members of a corporate board who are not otherwise officers of the corporation, volunteers, unpaid workers, family members paid token wages, persons permanently disabled, partners in unincorporated firms, and U.S. citizens working overseas.

Benefit areas

Sampled establishments were requested to provide data for a sample of their occupations on work schedules and details of plans in each of the following benefit areas: Paid lunch periods, paid rest periods, paid holidays, paid vacations, paid personal leave, paid funeral leave, paid military leave, paid jury-duty leave, paid and unpaid parental leave, paid sick leave, sickness and accident insurance, long-term disability insurance, medical, dental, and vision care, life insurance, retirement and capital accumulation plans, flexible benefit plans, and reimbursement accounts.

Data were also collected on the incidence of the following additional benefits: Severance pay, supplemental unemployment benefits, parking, subsidized commuting, travel accident insurance, nonproduction cash bonuses, financial counseling, prepaid legal services, gifts, child care, adoption assistance, eldercare, in-house infirmaries, long-term care insurance, wellness programs, recreation facilities, subsidized meals, employee discounts, relocation allowances, job-related and non-job-related educational assistance, employee assistance programs, and sabbatical leave.

Sampling frame

The list of establishments from which the sample was selected (called the sampling frame) was the State Unemployment Insurance (UI) reports for the 50 States and the District of Columbia. The reference date of the UI reports that were sampled varies by industry from 1983 to 1988. This is due to the nature of the sample selection and replacement, which is described below.

¹ The establishments included in this survey had to be determined in advance of the actual collection since only the smaller establishments were surveyed. The decision was made to classify establishments by size as of the reference date of the sampling frame. All establishments that were sampled with fewer than 100 employees are included in the survey, even if they employed more workers at the time of data collection.

² All of the employees in the detailed occupation selected may not be surveyed. Data for a manageable number (group) of employees in the detailed occupation that included the employee position selected are collected. This group is called a quote.

Sample design

The sample design for the Employment Cost Index and this survey is a 2-stage probability sample of detailed occupations. The first stage of sample selection is a probability sample of establishments, while the second stage of sample selection is a probability sample of occupation within the sampled establishments.

Establishment sample

The sample of 3,567 establishments was the subset of the ECI sample that had fewer than 100 employees at the time of sample selection. The ECI sample is updated periodically over a 4-year cycle. Each year, new sample establishments are introduced into the survey in selected industries and replace the sample units that were previously selected in those same industries. Using this procedure, the entire sample is replaced approximately every 4 years.

The sample of establishments is selected by first stratifying the sampling frame by industry group, and implicitly, by region (State) and establishment employment. The industry groups usually consist of 3-digit Standard Industrial Classification groups, as defined by the Office of Management and Budget, which are covered by the survey.

The number of sample establishments allocated to each stratum (defined by industry) was approximately proportional to the total employment of all sampling frame establishments in the stratum. Thus, a stratum that contained 1 percent of the total employment within the scope of the survey received approximately 1 percent of the total sample establishments. Some industries are sampled at a higher rate than other industries because of publication requirements or highly variable data.

Each sampled establishment was selected within an industry group with a probability proportional to its employment. For example, consider two establishments: A and B, with respective employment of 5,000 and 1,000. Establishment A is five times more likely to be selected than establishment B.

Occupational sample

At the beginning of each field visit by a Bureau field economist to collect data from a sampled establishment, a second stage probability sample of occupations is selected from the establishment. Data are then collected for these sampled occupations. The number of occupations selected from an establishment varies from 4 in the smallest establishments to 8 in the largest establishments. The probability of an occupation being selected is proportionate to its employment within the establishment. There were 6,437 second stage sample units (sampled occupations) that reported data from the 2,017 first stage sample units (sampled establishments) that cooperated in the survey.

The narrowly defined occupations are based on the Standard Occupational Classification (SOC) system de-

finied by the Department of Commerce. These narrowly defined occupations are then classified into the three occupational groups shown in this bulletin.

Data collection

Data for the survey were collected by visits of Bureau field economists to the sampled establishments. To reduce the reporting burden, respondents were asked to provide documents describing their flexible benefits plans, reimbursement accounts, retirement and capital accumulation plans, medical, dental, and vision care plans, and insurance plans. These were analyzed by BLS staff in Washington to obtain the required data on plan provisions. Data on paid leave generally were obtained directly from the employer at the time of the visit.

Data were collected during the period of November 1989 to October 1990, reflecting an average reference period of April 1990. Respondents were asked for information as of the time of the data collection visit.

Data calculation

The tables presented in this bulletin show the percent of employees who were covered by paid leave plans or unpaid parental leave plans; participated in medical, dental, and vision care plans; participated in insurance, retirement, or capital accumulation plans; or were eligible for flexible benefits plans, reimbursement accounts, or other selected benefits. Except in tables 2, 82, 84, and 87, 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, 13-17, 19-21, 72, 78, 79, 83, and 86, shows the number of covered workers as a percent of all workers within the scope of the survey; tables 2, 82, 84, and 87 show the number of eligible workers as a percent of all workers.

A second approach is followed in tables 8, 10, 11, 18, 26, 28, 29, 31-37, 52, 56-60, 62, 63, 66, 67, 71, 73-77, 80, and 81. These tables show the number of workers covered by specific features in a benefit area as a percent of all employees who participate in that general benefit area. They answer questions concerning the typical coverage provided to persons with a given medical, dental, and vision care, insurance, defined benefit pension, or defined contribution plan; for example, what percent of all employees with medical care receive mental health care coverage?

The third approach provides a close look at an important plan feature (tables 27, 30, 38-51, 53, 54, 61, 64, 65, and 68-70), for example, what percent of all employees with accidental death and dismemberment benefits have coverage equal to their life insurance benefits? Tables 25 and 85 use a combined approach, indicating in the first row of data the percent of persons who have a particular

coverage, while the remainder of the table is based on all employees with that coverage.

This multilevel approach has the advantage of clearly pointing out typical benefit plan characteristics after the incidence of the benefit has been established. Any of the second or third types of tables, if desired, can be converted to the first type by multiplying each data cell by appropriate factors. For example, to calculate the percent of all employees in plans specifying a maximum payment for orthodontia, multiply the percent of those with orthodontia coverage subject to a maximum (78 percent from table 61) by the percent of dental care participants with orthodontia coverage (63 percent from table 58), and multiply that product by the percent of all employees who have dental care coverage (30 percent from table 1). In this example, 15 percent of employees are in plans that impose a maximum on orthodontia payments (.78 x .63 x .30).

Tables 6, 12, 22-24, and 55 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	3567
Out of business and out of scope	752
Refusing to respond	798
Responding fully or partially	2017

There are three procedures used to adjust for missing data from partial schedules and total refusals. First, imputations for the number of plan participants are made for cases where this number was not reported (approximately 1 percent of participants in health and retirement and capital accumulation plans and less than 1 percent of participants in all other types of plans.) Each of these participant values is imputed by randomly selecting a similar plan from another establishment in a similar industry and establishment size. The participant rate from this randomly selected plan is then used to approximate the number of participants for the plan that is missing a participation value.

Second, imputations for plan provisions are made where they are not available in a partially responding establishment. These plan provisions are imputed by randomly selecting a similar plan from another establishment in a similar industry and establishment size. The plan provisions from this randomly selected plan are then used to represent the plan that is missing plan provision data. (This was done for about 7 percent of participants in sickness and accident insurance plans, 16 percent of flexible benefits plan participants, 44 percent of medical, dental, and vision care participants, 37 percent of long-term disability insurance

participants, 66 percent of retirement and capital accumulation plan participants, and 24 percent of life insurance plan participants. Imputations were done for less than 1 percent of the participants in paid leave plans.) Because of the high plan provision imputation rate for some benefits, publication of detailed provision estimates was limited.

For other forms of missing data (totally unusable establishments and refusals), a weight adjustment is made using the sample unit employment. This technique assumes that the mean value of the nonrespondents is equal to the mean value of the respondents at some detailed "cell" level. These cells are defined in a manner that groups establishments together that are homogeneous with respect to the characteristics of interest. In most cases, these cells are the same as those used for sample selection.

One other form of missing data occurs when an establishment cooperates in the survey but refuses all information concerning one or more of the selected occupations. No adjustment was made for these missing data for this survey; however, methods to impute for these data will be explored for future surveys. If all sampled occupations in cooperating establishments had supplied the requested data, the estimates in this bulletin would represent 44.7 million employees instead of the 40.7 million employees that are represented.

Survey estimation methods

The survey design uses an estimator that assigns the inverse of each sample unit's probability of selection as a weight to the unit's data at each of the two stages of sample selection. Two weight adjustment factors are applied to the establishment data. The first factor is introduced to account for the establishment nonresponse and a second post-stratification factor is introduced to adjust the estimated employment totals to actual counts of the employment by industry for the survey reference date. These actual employment figures are obtained from the State Unemployment Insurance reports for March 1990.

The general form of the estimator for a population total Y is:

$$Y = \sum_{i=1}^{n'} \frac{f_{2i} f_{1i}}{P_i} \sum_{j=1}^{o_i} \frac{Y_{ij}}{P_{ij}}$$

where:

- n' = number of responding sample establishments;
- o_i = occupation sample size selected from the i^{th} establishment;
- Y_{ij} = value for the characteristics of the j^{th} selected occupation in the i^{th} selected establishment;
- P_{ij} = the probability of including the j^{th} occupation in the sample of occupations from the i^{th} establishment;
- f_{1i} = weight adjustment factor for nonresponse for the i^{th} establishment;

f_{2i} = weight adjustment factor for post-stratification totals for the i^{th} establishment.

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

Reliability of estimates

The statistics in this bulletin are estimates derived from a sample of 6,437 usable occupation quotes selected from the 2,017 responding establishments, rather than tabulations based on data from all employees in all establishments within scope of the survey. Consequently, the data are subject to sampling errors, as well as nonsampling errors.

Sampling errors are the differences that can arise between results derived from a sample and those 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 widened to plus and minus 1.6 standard errors, and to 95 percent if the intervals are increased to plus and minus 2 standard errors.

Nonsampling errors also affect survey results. They can be attributed to many sources: Inability to obtain information about all establishments in the sample; definitional difficulties; differences in the interpretation of questions; inability or unwillingness of respondents to provide correct information; mistakes in recording or coding the data; and other errors of collection, response, processing, coverage, and estimation for missing data.

Through the use of computer edits of the data and professional review of both individual and summarized data, efforts are made to reduce the nonsampling errors in recording, coding, and processing the data. However, to the extent that the characteristics of nonrespondents are not the same as those of respondents, nonsampling errors are introduced in the development of estimates. Because the impact of these limitations on the EBS estimates is unknown, reliability measurements are incomplete.

Standard errors for the estimates presented in this bulletin are being prepared, but were not yet available at time of publication. For those readers interested in these data, write to: Office of Compensation and Working Conditions, Bureau of Labor Statistics, Washington, DC 20212.

Table A-1. Number of establishments and full-time occupational quotes studied and estimated number of full-time workers within scope of survey, small establishments, United States, 1990

Industry division ¹	Number of establishments studied	Number of occupational quotes studied ²			
		Total	Professional, technical, and related	Clerical and sales	Production and service
All industries	2,016	5,574	1,283	2,017	2,274
Manufacturing	208	716	101	116	499
Nonmanufacturing	1,808	4,858	1,182	1,901	1,775
Mining	26	81	6	11	64
Construction	191	571	96	125	350
Transportation, communications, electric, gas, and sanitary services	142	393	63	125	205
Wholesale trade	308	1,004	146	479	379
Retail trade	417	946	79	463	404
Finance, insurance, and real estate	233	607	243	325	39
Services	491	1,256	549	373	334
Estimated number of full-time workers within scope of survey					
All industries		32,465,564	5,695,930	10,455,187	16,314,448
Manufacturing		4,825,909	588,096	662,464	3,575,349
Nonmanufacturing		27,639,655	5,107,833	9,792,723	12,739,099
Mining		254,243	10,210	14,718	229,316
Construction		3,244,019	271,986	321,055	2,650,977
Transportation, communications, electric, gas, and sanitary services		1,645,554	181,596	483,491	980,467
Wholesale trade		4,092,094	543,267	2,000,528	1,548,299
Retail trade		6,498,963	400,880	2,506,926	3,591,157
Finance, insurance, and real estate		2,498,963	665,339	1,517,166	316,458
Services		9,405,820	3,034,555	2,948,838	3,422,426

¹ 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.

² These figures refer to all respondents to the survey, whether or not

they provided data for all items studied. See the section on survey response.

NOTE: Because of rounding, sums of individual items may not equal totals.

Table A2. Number of establishments and part-time occupational quotes studied and estimated number of part-time workers within scope of survey, small establishments, United States, 1990

Industry division ¹	Number of establishments studied	Number of occupational quotes studied ²			
		Total	Professional, technical, and related	Clerical and sales	Production and service
All industries	2,016	863	105	398	360
Manufacturing	208	36	4	9	23
Nonmanufacturing	1,808	827	101	389	337
Mining	26	7	1	5	1
Construction	191	17	-	10	7
Transportation, communications, electric, gas, and sanitary services	142	33	3	12	18
Wholesale trade	308	71	3	37	31
Retail trade	417	335	3	183	149
Finance, insurance, and real estate	233	40	3	26	11
Services	491	324	88	116	120
Estimated number of part-time workers within scope of survey					
All industries		8,212,775	697,474	3,396,718	4,118,583
Manufacturing		271,462	61,036	83,981	126,445
Nonmanufacturing		7,941,313	636,438	3,312,737	3,992,138
Mining		58,010	15,241	40,635	2,134
Construction		46,198	-	27,504	18,694
Transportation, communications, electric, gas, and sanitary services		303,135	15,298	64,010	223,826
Wholesale trade		265,995	5,037	152,693	108,265
Retail trade		4,730,354	17,587	1,952,781	2,759,986
Finance, insurance, and real estate		308,452	6,160	221,027	81,265
Services		2,229,170	577,115	854,087	797,968

¹ 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.

² These figures refer to all respondents to the survey, whether or not

they provided data for all items studied. See the section on survey response.

NOTE: Because of rounding, sums of individual items may not equal totals.

Appendix B: Availability of the Survey's Data Base

The tables published in this bulletin present for the first time the major findings of the employee benefits survey in small private establishments. The survey includes data for both full-time and part-time employees. Results of additional research will appear as occasional articles in the *Monthly Labor Review*.

The statistical tables in these publications cover only a portion of the employee benefits information collected. Persons interested in all provisions of a particular benefit studied from the 1981-89 surveys can purchase a set of magnetic tapes containing the survey's data base by writing to: Office of Compensation and Working Conditions, Bureau of Labor Statistics, Washington, DC 20212. At this time, the 1990 data are being studied to determine whether they can be made available to the public on magnetic tape. Questions on the availability of these tapes may be sent to the above address.

Because of the Bureau's pledge of confidentiality to survey respondents, the tapes have been carefully screened to remove or alter any data that would reveal the identity of individual establishments. The charge for furnishing the data is limited to the cost of producing the tapes and preparing supporting documentation.

For major benefit items, the BLS survey obtained plan provisions and employee participation data for each of three employee groups. 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: (1) Medical, dental, and vision care; (2) life insurance; (3) sickness and accident insurance; (4) long-term disability insurance; (5) retirement and capital accumulation plans; and (6) time off, flexible benefits, and reimburse-

ment 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 of the benefits listed above. The plan data file contains provisions for each plan that was reported and for which usable information was available. However, plan identification numbers on the tape are scrambled (and other identifying information is removed) to protect the confidentiality of responding establishments.

Purchasers also receive the control file, which contains establishment information required to produce estimates from the plan data. Control file records include establishment size codes; geographic, industrial, and employee group classification codes; and the weighted number of workers in each employee group. The control file also lists all benefit plans offered in an establishment, with the weighted number of plan participants in each employee group. A plan is listed on more than one control file record if it covers employees in more than one establishment. Although plan identification numbers on the control file are scrambled, the same scrambled numbers appear on the data file so they can be matched to make estimates. Because establishment schedule numbers on the control file are scrambled differently for each employee group, it will not be possible to link together plans offered to different employee groups within an establishment.

Benefit provisions obtained from plan documents are recorded in coding manuals for medical, dental, and vision care, life insurance, sickness and accident insurance, long-term disability insurance, retirement, and capital accumulation plans, and are then entered on the plan data file. A set of coding manuals and instructions for completing them are supplied to tape purchasers for interpretation of data on the file. Time off, flexible benefits, and reimbursement account provisions are reported directly on collection forms, copies of which are also provided to tape purchasers.

The analysis of medical, dental, and vision care, life insurance, sickness and accident insurance, long-term disability insurance, retirement, and capital accumulation plans is extremely detailed. The following list of medical, dental, and vision care plan provisions included in the data base gives an indication of the extent of the information available on the magnetic tapes. Coverage of other benefits is similarly detailed.

Medical, dental, and vision care data base

- Plan participation requirements
- Employee monthly contribution for employee and family benefits
 - Pretax status of contributions
- Type of plan and funding arrangement
 - Medical benefits
 - Dental benefits
 - Vision benefits
- Effect of retirement
 - Retired employees benefit coverage, eligibility, and type of financing
- Hospital coverage
 - Hospital room and board coverage
 - Hospital miscellaneous charges
- 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
- Mental health care benefits
 - In-hospital room and board charges
 - Coverage for mental or psychiatric hospital
 - Outpatient mental health care
- Substance abuse benefits
 - In-hospital detoxification care
 - In-hospital rehabilitative care
 - Outpatient care
 - (separate questions for alcohol abuse and drug abuse)
- Other benefits
 - Hearing care
 - Orthoptics
 - Physical examinations
 - Organ transplants
 - Well-baby care
 - Immunization and inoculation

- Mammography
- Preventive dental care only (examinations and/or X-rays)
- Vision examinations only

- Cost containment features
 - No or limited reimbursement for nonemergency weekend admission to hospital
 - Preadmission testing
 - Preadmission certification required
 - Birth centers
 - Hospital audit program
 - Utilization review

- Dental care benefits
 - Who is covered
 - Prophylaxis and routine exams
 - X-rays
 - Fillings
 - Surgery—dental
 - Periodontal care
 - Endodontics
 - Inlays
 - Crowns
 - Prosthetics
 - Orthodontia
 - Preauthorization requirement

- Vision care benefits
 - Who is covered
 - Eyeglasses
 - Eye examinations
 - Contact lenses

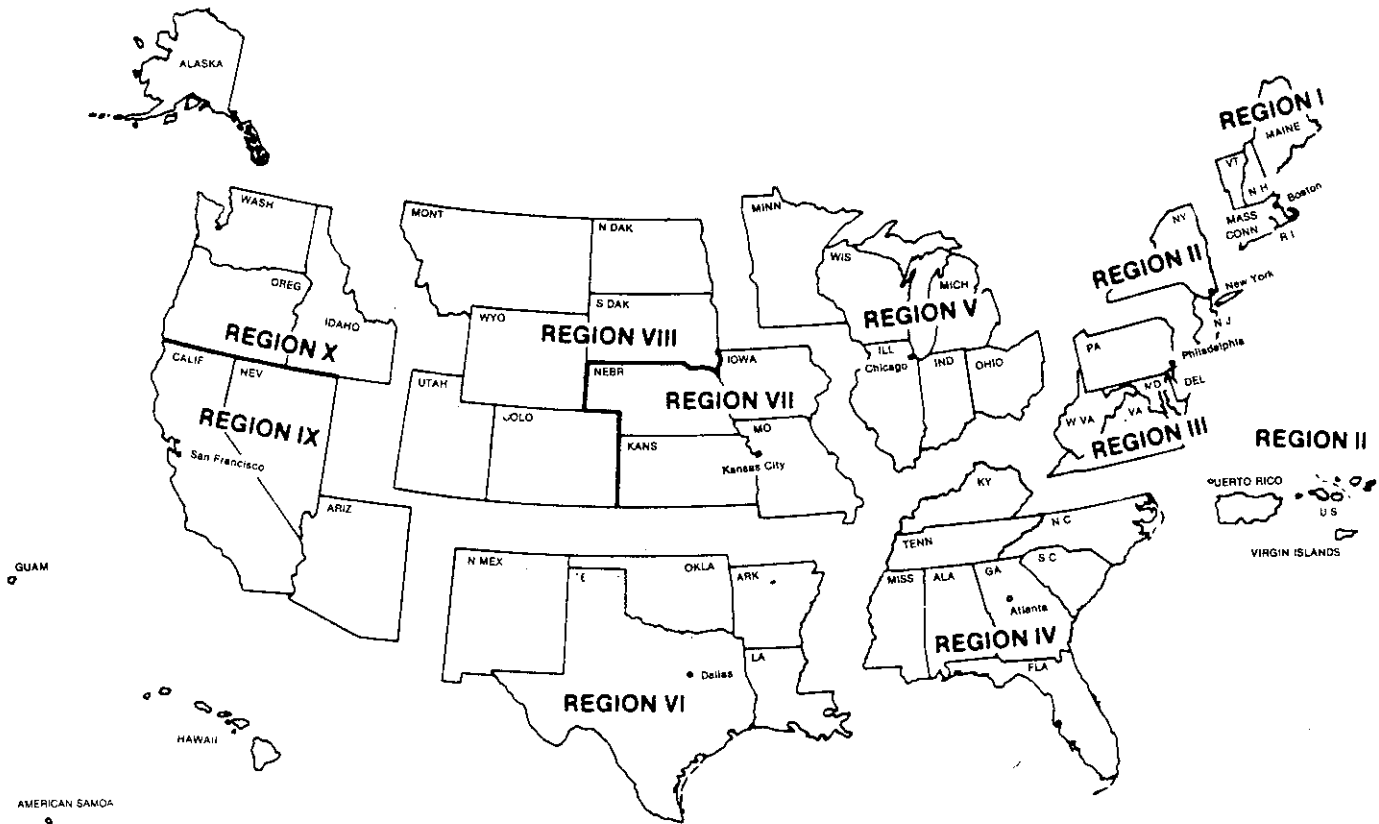
- Prescription drug benefits
 - Brand name drugs
 - Generic drugs

- Overall limitations
 - Out-of-pocket expense limitation
 - Overall deductible
 - Overall maximum
 - Overall coinsurance

Each medical expense section (e.g., hospitalization, prescription drugs, physician charges) contains information on internal limitations; these limits apply only to that category of care. For example, hospital room and board may have an internal limit of 120 days per confinement. Information on overall limitations is also included in each section, identifying limits that apply to more than one category of care. These overall limitations—deductibles, maximums, coinsurance, and out-of-pocket expense limitations—are then described at the end of the database. Three sets of data on overall limitations are available for plans that include multiple overall limits.

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