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GAO

Briefing Report to the Chairman, Subcommittee on Oversight, Committee on Ways and Means, House of Representatives

October 1986

PENSIONS

Plans With Unfunded Benefits

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GAO

United States
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Human Resources Division

B-207385

October 22, 1986

The Honorable J. J. Pickle
Chairman, Subcommittee on Oversight
Committee on Ways and Means
House of Representatives

Dear Mr. Chairman:

In response to your February 12, 1986, request and agreements with your office, we prepared this briefing report to provide information on the extent to which single employer defined benefit pension plans are underfunded (assets are less than benefit liabilities). This is the first in a series of reports we will be issuing to you on plan underfunding. The others will cover such matters as the causes of and suggestions for reducing plan underfunding.

The vested benefits of about 30 million people participating in about 110,000 plans are guaranteed, within certain limits, by a government insurance program. The program, established in 1974 by the Employee Retirement Income Security Act, is administered by the Pension Benefit Guaranty Corporation. When a plan terminates with insufficient assets to pay guaranteed benefits, the Corporation becomes plan trustee and assumes responsibility for paying the benefits. Claims from underfunded plan terminations are to be financed from annual premiums paid to the program by ongoing plans.

Congressional concern has been expressed about the effect that underfunded plan terminations have had on the program's financial viability. Between the act's enactment and the end of fiscal year 1985, about 1,100 plans terminated with claims against the program because they were underfunded. Claims, which have been especially large in recent years, have exceeded income, causing the insurance program to operate at a deficit--estimated at $1.3 billion as of September 30, 1985.

Since underfunded ongoing plans pose a contingent liability against the insurance program, we focused our assessment on the extent of and changes in plan underfunding to determine the magnitude and significance of the program's contingent liability. We limited our assessment to plans with 100 or more participants (large plans) because, based on our experience, these plans are most likely to have significant amounts of unfunded benefits. We based our assessments on financial information reported by plans for 1981 and 1983 and provided to us by the Department of Labor in February 1986, when we started our work.

Our analysis of the extent of vested benefit underfunding in 1983 covered 14,581 of the universe of about 22,000 large defined benefit plans. The other plans were not covered because sufficient information needed to determine their funding status was not available. Our analysis of the data, as reported by the plans, showed that in 1983

-- 3,351 of the 14,581 plans were underfunded by about $21 billion, with the other 11,230 plans having assets that exceeded the value of participants' vested benefits by about $71 billion;

-- about 47 percent of the 3,351 underfunded plans had assets covering less than 75 percent of the value of participants' vested benefits, and about 31 percent had unfunded vested benefits of at least $1 million each; and

-- the percentage of plans in each industry group that were underfunded varied considerably, with manufacturing industry plans accounting for almost 84 percent (about $18 billion) of the total unfunded benefits in all groups.

Our analysis of funding changes between 1981 and 1983 was based on 10,022 plans because data were not available for all of the 14,581 plans. The analysis of the 10,022 plans showed that, although the total number of underfunded plans decreased by about 30 percent during the period, the net amount of unfunded vested benefits increased substantially--by about 18 percent from $14.8 billion in 1981 to $17.5 billion in 1983. This net increase was attributable to a few plans that were underfunded by $500 million or more in 1983. In that year, the four plans in this category were underfunded by a total of about $8 billion.

Based on our analyses, we conclude that the contingent liability to the Pension Benefit Guaranty Corporation's insurance program is significant and growing. Considering the insurance fund's current deficit, we believe that the program could be in jeopardy if the recent trend in the termination of plans with large amounts of unfunded benefits continues.

As requested by your office, we did not obtain agency comments on this briefing report. We are sending copies of this document to the Pension Benefit Guaranty Corporation, the Internal Revenue Service, the Department of Labor, and other interested parties. Copies will also be made available to others on request.

Should you wish to discuss the information provided, please call me on 275-6193.

Sincerely yours,

Joseph F. Delfico

Joseph F. Delfico
Senior Associate Director

C o n t e n t s

ABBREVIATIONS

ERISA	Employee Retirement Income Security Act
IRS	Internal Revenue Service
PBGC	Pension Benefit Guaranty Corporation

PENSIONS:

PLANS WITH UNFUNDED BENEFITS

INTRODUCTION

Generally, a single employer defined benefit pension plan is one that pays a particular retirement benefit, determined in advance by a formula, to employees of the employer sponsoring the plan. The Employee Retirement Income Security Act of 1974 (ERISA) established funding standards, an insurance program, and other provisions to help ensure that participants of these plans receive their earned (accrued) benefits.[1,2] The Internal Revenue Service (IRS) is responsible for enforcing the ERISA funding standards, and the Pension Benefit Guaranty Corporation (PBGC) administers the insurance program.

About 110,000 single employer plans with about 30 million participants are covered by the insurance program. The program guarantees, within certain limits, participants' vested (nonforfeitable) benefits upon plan termination. If PBGC determines that a terminated plan's assets are insufficient to cover guaranteed benefits, it assumes administrative responsibility for paying the benefits. Unfunded benefits not paid by employers terminating the plans are to be financed by annual premiums paid to the program by ongoing plans.

Congressional concern has been expressed about the effect that the termination of plans with unfunded benefits has had on the insurance program's viability. Between ERISA's enactment and the end of fiscal year 1985, about 1,100 plans, covering about 160,000 insured participants, terminated with claims against the insurance program because they were underfunded--that is, they did not have enough assets to pay guaranteed benefits. Claims, which have been especially large in recent years,

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[1]Accrued benefits, at any time, consist of the vested benefits earned by plan participants plus the benefits earned by plan participants who have not yet met the plan's vesting requirements.

[2]ERISA requires that a plan provide that participants, after meeting certain requirements, will retain a right to the benefits they have earned, or some portion of them, even though their service with employers contributing to the plan terminates before retirement. A participant who has met such requirements is said to have a vested right. Vested benefits are the value of benefits at a given time to which participants have a nonforfeitable right. The term "vested benefits" is synonymous with the term "vested liability" as defined in ERISA.

have exceeded premium revenues from ongoing plans, causing the insurance program to operate at a deficit. The program's estimated deficit at September 30, 1985, was $1.3 billion.

Generally, ERISA's funding standards were established to help ensure that plans accumulate enough assets to pay benefits as participants retire. However, plan assets may not be sufficient to cover either vested or total accrued benefits at a given time for various reasons.

For example, actuaries value plan assets and benefits under any of several acceptable funding methods to determine annual minimum contribution requirements. Some funding methods result in slower asset accumulation than others. Also, minimum contribution requirements are based on the assumption that the plans will continue rather than terminate and, therefore, on assumptions about future conditions affecting plan assets and benefit liabilities. The plan's actual experience may differ from these assumptions.

Further, IRS can waive required contributions because of business hardship. In addition, benefit increases that allow credit for participants' past years of service (e.g., cost-of-living increases for retirees) can create or add to underfunding. Because these increases can be funded over periods as long as 30 years, plans that grant them (especially those that grant them frequently) can have substantial unfunded benefits.

OBJECTIVES, SCOPE, AND METHODOLOGY

The amount of pension plan underfunding indicates the contingent liability against the insurance program.[3] As agreed with the office of the Chairman, Subcommittee on Oversight, House Committee on Ways and Means, our objectives were to assess the extent of and changes in unfunded benefits in ongoing defined benefit plans. We focused our analysis on plans with 100 or more participants each (which we call large plans), because we believed, based on our experience, that they were most likely to have significant amounts of unfunded benefits. We also assessed plan underfunding by plan size (e.g., plans with 1,000 to 4,999 participants) and by industry group (e.g., wholesale and retail trade and construction).

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[3]In this report, contingent liabilities are defined as potential obligations that, in the future, may develop into actual liabilities or may dissolve without leading to an insurance claim.

To make our assessments, we used ERISA annual report[4] data submitted by defined benefit plans covered by the insurance program for plan years[5] 1981 and 1983 and processed (reviewed and computerized) by IRS as of November 1985. We did not verify the information for accuracy.

We used the reported actuarial data on plan assets and participants' vested and accrued benefits to assess the extent of underfunding on the plan continuation basis. In this regard, the reported data are the result of actuarial valuations based on the assumption that plans will continue rather than terminate. In making such a valuation, actuaries deemphasize temporary swings in conditions (e.g., return on investments) so as to minimize short-term fluctuations. Because of these fluctuations, the funding status of the plans, if they had terminated during the period covered by our analyses, could have differed from that reported. Therefore, the results of our analyses should be viewed merely as an indication of the extent of and changes to plan underfunding.

Although we computed plans' funded positions for both vested and total accrued benefits on the plan continuation basis, we discuss only the vested benefits in detail because they are generally guaranteed and, to the extent that such benefits are unfunded, pose a contingent liability against the insurance program. Statistical information on total accrued benefits is provided in appendixes I and II.

To determine changes to plan underfunding, we compared the extent of underfunding in plans for 1981 and 1983. We used plan asset and benefit data as reported by the plans to estimate the extent of underfunding. The use of ERISA annual report data, however, reduced the number of plans included in our analyses. We were able to measure the extent of underfunding in 1983 for 14,581 of the universe of about 22,000 large plans. The remaining plans were not included because (1) as of November 1985, the plan year 1983 reports had not been filed with and

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[4]Data, such as assets and benefit liabilities, reported by plans on the ERISA Form 5500 and Schedule B (actuarial data).

[5]A plan year is the 12-month fiscal period for which plan records are kept. A specific plan year's designation is based on the calendar year in which the plan year begins. For example, plan years beginning on any day from January 1 to December 31, 1983, would be designated as plan year 1983.

processed by IRS[6] or (2) the computerized files of the processed reports did not contain one or more of the data items needed to compute plan funding status.

Our analysis of changes in plan funding status between 1981 and 1983 covered 10,022 of the 14,581 plans because the necessary annual report data could not be found on the plan year 1981 files for many of the plans. Also, we did not expand our analysis to prior years because similar problems existed with annual report data before plan year 1981, and we did not believe using such data would provide more meaningful results.[7]

The methodology used to analyze underfunding and the presentation of the results of our analyses are similar to those we used to assess and report[8] on the extent of plan overfunding. IRS, PBGC, and Department of Labor officials had no comments on the previous report. As requested by the Subcommittee on Oversight, we did not obtain their comments on this report.

PLAN UNDERFUNDING: SIGNIFICANT IN TERMS OF PLANS, PARTICIPANTS, AND AMOUNT

As shown in figures 1 and 2, underfunded defined benefit pension plans posed a significant contingent liability against the insurance program in 1983. On the plan continuation basis (reported assets and vested benefits), 3,351 (about 23 percent) of the 14,581 plans covered by our analyses were underfunded. These underfunded plans covered 4.2 million participants, and their vested benefits of $62 billion exceeded the plans' $41 billion in assets by $21 billion. Considering the insurance

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[6]Delays in the availability of annual report data for a given plan year for all plans could be caused by many reasons, including reporting requirements. For example, plans are not required to file an annual report until 7 months after the end of the plan year. Therefore, a plan with a plan year starting in December 1983 would not have to file a plan year 1983 report until about July 1985--7 months after the end of the plan year. IRS processing time would further delay the ready availability of the report.

[7]GAO reports entitled Better Management of Private Pension Plan Data Can Reduce Costs and Improve ERISA Administration (HRD-82-12, Oct. 19, 1981) and Multiemployer Pension Plan Data Are Inaccurate and Incomplete (GAO/HRD-83-7, Oct. 25, 1982) discuss the ERISA annual report data problems.

[8]GAO report entitled Pension Plans: Plans With Excess Assets (GAO/HRD-86-100BR, May 30, 1986) provides information on the extent of pension plan overfunding.

fund's current deficit, we believe that the insurance program could be in jeopardy if the recent trend in the termination of plans with large amounts of unfunded benefits continues.

Figure 1: Funding Status of 14,581 Plans by Percent of Plans and Participants (1983)

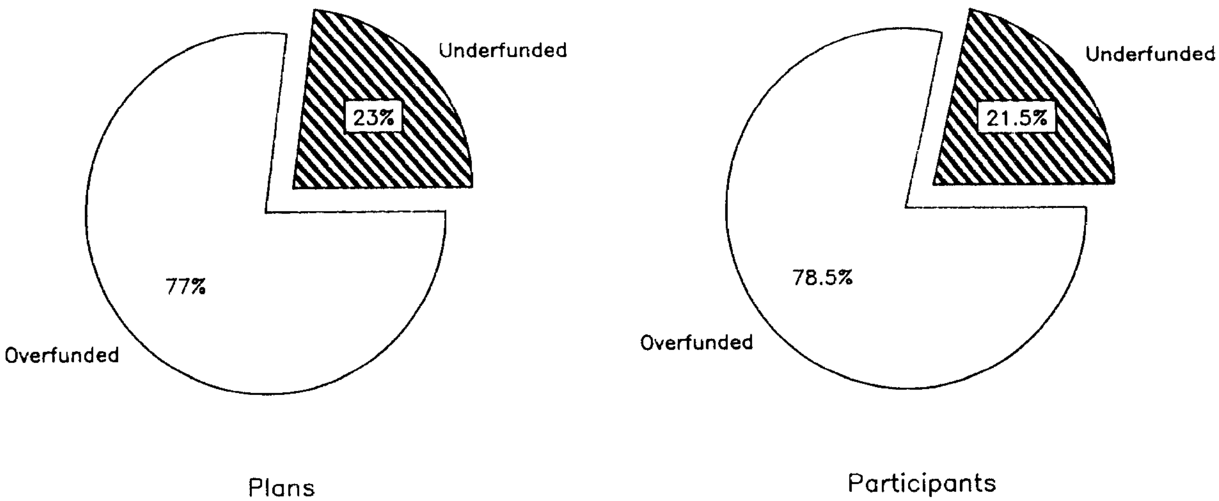
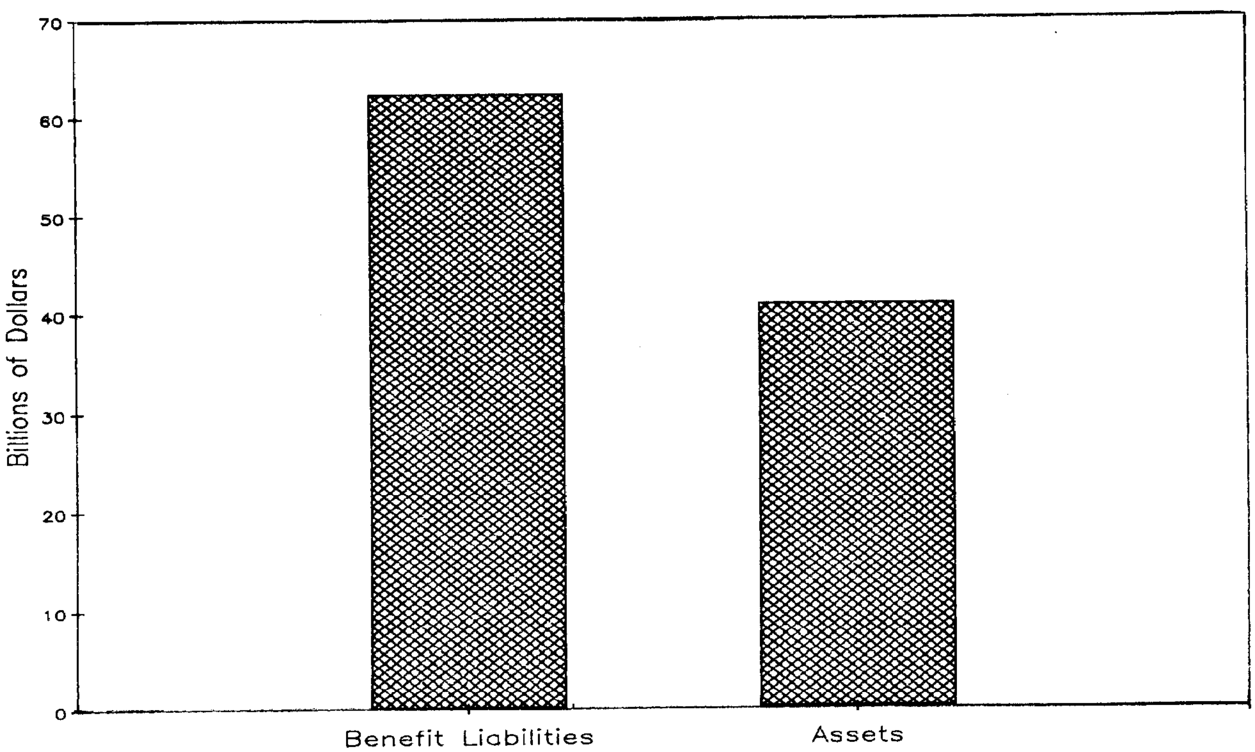


Figure 2: Assets and Vested Benefits for 3,351 Underfunded Plans (1983)



As discussed on pages 11-14, our assessment also showed that in 1983,

-- 47 percent of 3,351 underfunded plans had assets covering less than 75 percent of their vested benefits;

-- 31 percent of the 3,351 plans had unfunded vested benefits of at least $1 million each, with 2.8 percent being underfunded by at least $25 million each;

-- 19 percent or more of the plans in all plan size groups had unfunded vested benefits, with the largest plans (50,000 or more participants) accounting for $9.3 billion, or 43 percent of the total unfunded amount in all groups; and

-- the percentage of plans in each industry group that were underfunded varied considerably, with manufacturing industry plans accounting for almost 84 percent of the total unfunded benefits in all groups.

Appendix I includes tables showing similar information on the extent that ongoing plans had unfunded accrued benefits (vested plus nonvested in 1983).

<u>Extent of Underfunding by Percent That Plans' Assets Covered Benefits</u>

As shown by table 1, about 48 percent of the 3,351 plans that were underfunded in 1983 had vested benefits that were less than 75 percent funded by assets. The 1,591 plans in this category covered 52.2 percent of the participants and 86.1 percent of the total unfunded amount in the 3,351 underfunded plans. Only about 5 percent of the underfunded plans covering nearly 5 percent of the participants in such plans were less than 25 percent funded, but they accounted for 29 percent of the unfunded benefits in the plans.

Table 1:

Plans, Participants, and Unfunded Vested Benefits by Percent Funded for Plan Year 1983

Percent funded	Plans Number	Plans Percent	Participants Number (thousands)	Participants Percent	Unfunded benefits Amount (millions)	Unfunded benefits Percent
Less than 25	170	5.1	188	4.5	$ 6,230	29.0
25 but less than 50	380	11.3	529	12.7	4,947	23.1
50 but less than 75	1,041	31.1	1,456	35.0	7,285	34.0
75 but less than 100	1,760	52.5	1,984	47.7	2,991	13.9
Total[a]	3,351	100.0	4,156	100.0	$21,453	100.0

[a]Columns may not add to totals due to rounding.

Dollar Amount by Which Benefits of Underfunded Plans Exceeded Assets

Although most of the underfunded plans had unfunded vested benefits of less than $1 million, about 31 percent were underfunded by $1 million or more. The plans that were underfunded by $1 million or more covered about 79 percent of the participants and had 97 percent of the unfunded vested benefits in all underfunded plans. Only about 3 percent of the plans were underfunded by $25 million or more, but they accounted for 41 percent of the participants and 77 percent of the unfunded vested benefits in underfunded plans.

Table 2 provides more detail on the dollar amount by which the plans were underfunded.

Table 2:

Plans, Participants, and Unfunded Vested Benefits by Dollar Amount of Underfunding for Plan Year 1983

Amount	Plans		Participants		Unfunded benefits	
	Number	Percent	Number	Percent	Amount	Percent
			(thousands)		(millions)	
Under $1 million	2,310	68.9	862	20.7	$ 694	3.2
$1 but under $5 million	688	20.5	772	18.6	1,514	7.1
$5 but under $25 million	256	7.6	822	19.8	2,640	12.3
$25 but under $100 million	68	2.0	531	12.8	3,225	15.0
$100 but under $500 million	24	0.7	546	13.1	4,098	19.1
$500 million and over	5	0.1	623	15.0	9,281	43.3
Total[a]	3,351	100.0	4,156	100.0	$21,453	100.0

[a]Columns may not add to totals due to rounding.

Extent of Underfunding by Plan Size and Industry Group

Our analysis of the 1983 funding status of the 14,581 large plans showed that at least 19 percent of the plans in all size groups had unfunded vested benefits. Also, at least 19 percent of the participants in each size group were in underfunded plans. The amount of underfunding in the groups ranged from about $1 billion in the 500-to-999-participant group to about $9.3 billion in the largest size group (plans with 50,000 or more participants). The $9.3 billion in unfunded benefits in the largest size group accounted for 43 percent of the total unfunded amount in all groups.

The percentage of plans in each industry group that were underfunded varied considerably. The percentage of participants in underfunded plans and the amount of unfunded benefits in each group also varied. The percentage of plans with unfunded vested benefits ranged from 5 percent of the plans in the finance, insurance, and real estate group to about 30 percent of those in the construction and manufacturing groups. The percentage of participants in each group in plans with unfunded vested benefits ranged from 3.1 percent in finance, insurance, and real estate plans to 41.2 percent in single employer construction plans. The amount of underfunding in the groups ranged from $50 million in 22 agriculture, forestry, and fishing plans to about $18.1 billion in 2,325 manufacturing plans.

Table 3 provides more detailed data on the extent of vested benefit underfunding in various plan size and industry groups.

Table 3:

Plans, Participants, and Unfunded Vested Benefits by Plan Size and Industry Groups for Plan Year 1983

Group	Plans			Participants			Underfunded	
		Underfunded			Underfunded			
	Total	Number	Percent	Total	Number	Percent	Amount	Percent
Plan size:				(thousands)			(millions)	
100 - 499	8,829	2,141	24.2	2,077	497	24.0	$ 1,216	5.7
500 - 999	2,276	496	21.8	1,614	349	21.6	1,045	4.9
1,000 - 4,999	2,389	463	19.4	4,884	945	19.3	3,285	15.3
5,000 - 9,999	348	71	20.4	2,476	507	20.5	1,788	8.3
10,000 - 24,999	185	43	23.2	2,790	631	22.6	2,904	13.5
25,000 - 49,999	64	17	26.6	2,167	597	27.6	1,885	8.8
50,000 and over	26	5	19.2	3,253	623	19.2	9,281	43.3
Unknown[a]	464	115	24.8	25	7	28.1	49	0.2
Totals[b]	14,581	3,351	23.0	19,286	4,156	21.5	$21,453	100.0
Industry:								
Agriculture, forestry, and fishing	102	22	21.6	83	13	16.1	$ 50	0.2
Construction	291	87	29.9	401	165	41.2	701	3.3
Finance, insurance, and real estate	1,370	68	5.0	1,867	58	3.1	127	0.6
Manufacturing	7,777	2,325	29.9	10,530	2,973	28.2	18,076	84.3
Mining	309	41	13.3	237	20	8.3	81	0.4
Retail trade	530	105	19.8	1,493	231	15.5	296	1.4
Services	1,850	252	13.6	1,718	180	10.4	178	0.8
Tax exempt organizations	671	139	20.7	696	174	25.1	418	1.9
Transportation, communication, and utilities	774	156	20.2	1,529	246	16.1	1,409	6.6
Wholesale trade	574	88	15.3	301	32	10.8	74	0.3
Unknown[a]	333	68	20.4	431	62	14.5	43	0.2
Totals[b]	14,581	3,351	23.0	19,286	4,156	21.5	$21,453	100.0

[a]Includes those plans for which data were not available to permit them to be categorized by plan size or industry.

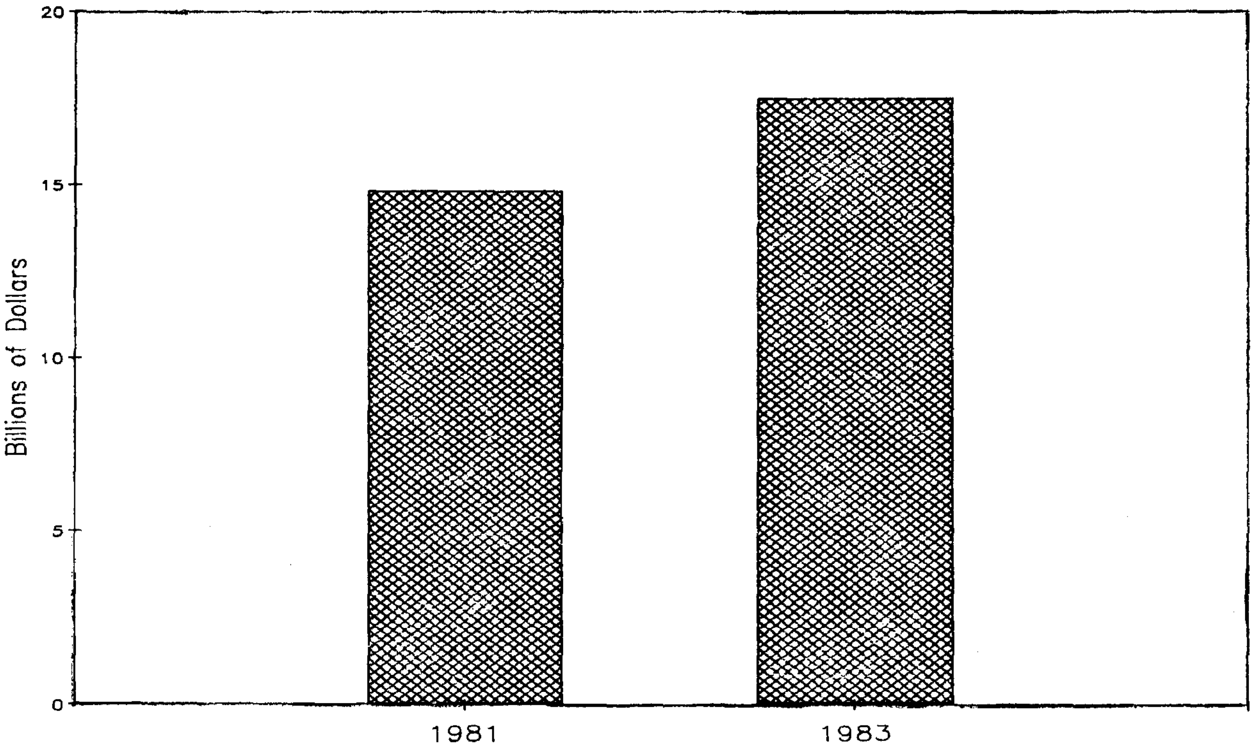
[b]Columns may not add to totals due to rounding.

NUMBER OF UNDERFUNDED PLANS DECREASED BUT AMOUNT OF UNFUNDED BENEFITS INCREASED BETWEEN 1981 and 1983

The contingent liability to PBGC's insurance program increased between 1981 and 1983. Our assessment of changes in the funding status of 10,022 large plans[9] during that period showed that while the total amount of unfunded vested benefits increased, the total number of underfunded plans and participants decreased.

As shown by figure 3 and in table 5, unfunded vested benefits increased from $14.8 billion to $17.5 billion (18.1 percent). However, as shown by figure 4, the percentage of the 10,022 plans that had unfunded vested benefits decreased from 32.5 to 22.8 percent (from 3,259 to 2,284). Also, the percentage of participants in those plans decreased from 31.4 percent to 21.9 percent (from 4.4 million to 3.1 million).

Figure 3: Changes in the Amount of Unfunded Vested Benefits in Underfunded Plans (1981 and 1983)



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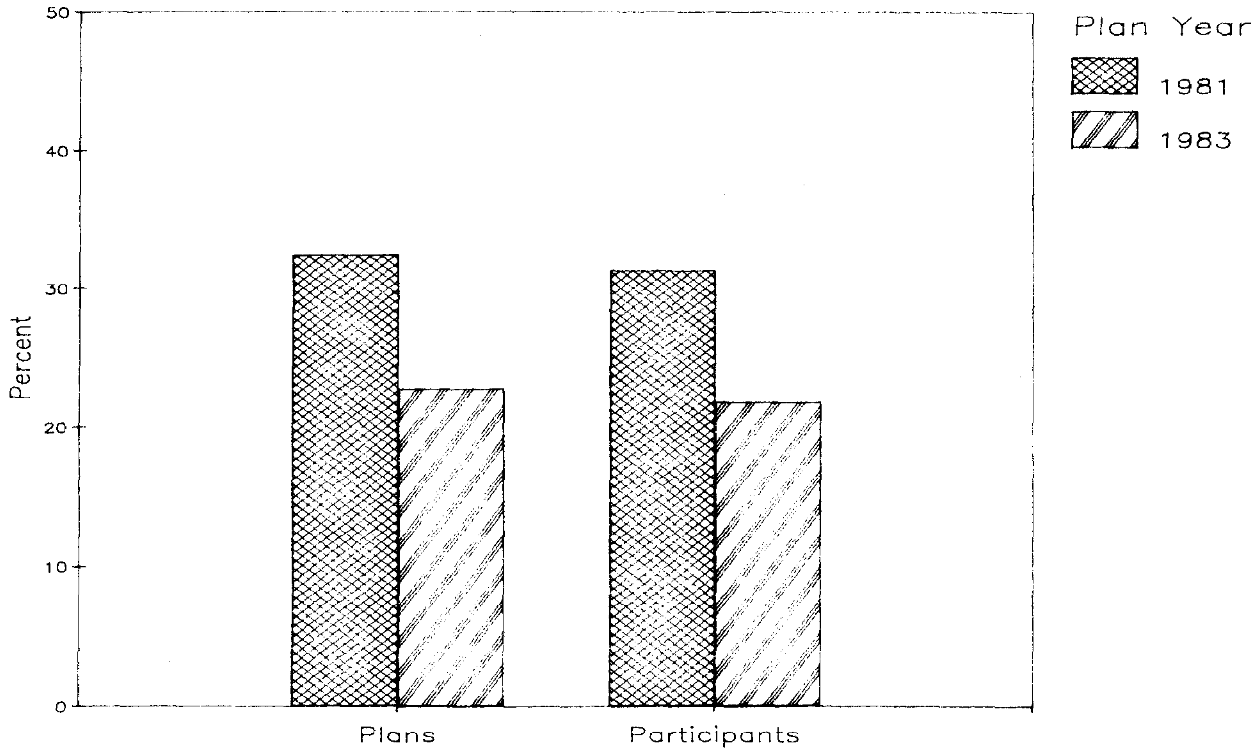
[9]See pages 8 and 9 for an explanation of why our analysis covered only 10,022 of approximately 22,000 defined benefit pension plans with 100 or more participants.

Figure 4: Changes in the Percent of Underfunded Plans and Their Participants (1981 and 1983)



As discussed in more detail in the following sections, our analysis also showed that there were generally significant percentage (1) increases in the extent to which underfunded plans' assets covered their vested benefits, (2) decreases in the dollar amount by which plans were underfunded, and (3) decreases in the number of underfunded plans and the amount of their unfunded benefits for most plan size and industry groups. There were, however, some significant variations within these general trends.

Appendix II includes tables showing similar information on changes in ongoing plan underfunding between plan years 1981 and 1983 using accrued benefits (vested plus nonvested).

Changes in Plan Underfunding by Percent and Dollar Amount

As shown by table 4, there was a decrease in the number of underfunded plans between 1981 and 1983 in each of the percent funded categories. The across-the-board decrease, along with the decrease in the total number of underfunded plans, indicates a general shift during the period toward better plan funding. There was also a decrease in the number of participants and the amount of unfunded vested benefits in all but the lowest percent funded category--plans less than 25 percent funded. The percentage increase in participants and amount of unfunded benefits in this category was substantial given the decrease in the number of underfunded plans. The number of participants increased by about 72 percent--from about 76,000 to 131,000. The increase in unfunded vested benefits in this lowest funded category was more dramatic--from about $755 million to $5.9 billion (about 689 percent).

Table 4:

Changes in Plans, Participants, and Unfunded Vested Benefits by Percent Funded (1981-83)

Percent funded	Plans 1981	Plans 1983	Plans Percent change	Participants 1981	Participants 1983	Participants Percent change	Unfunded benefits 1981	Unfunded benefits 1983	Unfunded benefits Percent change
				(thousands)			(millions)		
Less than 25	110	75	-31.8	76	131	+72.4	$ 755	$ 5,954	+688.6
25 but under 50	429	226	-47.3	588	454	-22.8	4,607	4,469	-2.9
50 but under 75	1,085	741	-31.7	1,262	1,011	-19.9	5,531	4,685	-15.3
75 but under 100	1,635	1,242	-24.0	2,434	1,522	-37.5	3,936	2,401	-39.0
Total[a]	3,259	2,284	-29.9	4,360	3,119	-28.5	$14,828	$17,508	+18.1

[a]Columns may not add to totals due to rounding.

Further, as shown by table 5, the number of underfunded plans and the amount of their unfunded vested benefits decreased, generally by substantial percentages, in all but one of the ranges of unfunded dollar amount. The largest amount range (plans underfunded by $500 million and over) experienced increases in the number of plans and participants--from three to four plans and from 472,000 to 490,000 participants. However, the increase in the amount of unfunded benefits in this range was significant--by about 207 percent to almost $8 billion.

Table 5:

Changes in Plans, Participants, and Unfunded Vested Benefits by Dollar Amount of Underfunding (1981-83)

	Plans			Participants			Underfunded amount		
Amount	1981	1983	Percent change	1981	1983	Percent change	1981	1983	Percent change
				(thousands)			(millions)		
Under $1 million	2,219	1,522	-31.4	852	586	-31.2	$ 687	$ 482	-29.9
$1 but under $5 million	692	491	-29.0	767	556	-27.5	1,526	1,086	-28.8
$5 but under $25 million	261	199	-23.8	837	636	-24.0	2,886	2,059	-28.7
$25 but under $100 million	64	49	-23.4	823	407	-50.5	3,243	2,383	-26.5
$100 but under $500 million	20	19	-5.0	608	443	-27.1	3,885	3,503	-9.8
$500 million and over	3	4	+33.3	472	490	+3.8	2,602	7,995	+207.3
Total[a]	3,259	2,284	-29.9	4,360	3,119	-28.5	$14,828	$17,508	+18.1

[a]Columns may not add to totals due to rounding.

Changes in Plan Underfunding by Plan Size and Industry Group

As shown by table 6, there was a generally significant percentage decrease during the 1981-83 period in underfunded plans and their participants in all plan size and industry groups. The percentage decrease in underfunded plans in the groups ranged from about 7 to about 62 percent. The percentage decrease in participants in underfunded plans ranged from 6 to 55 percent.

Also, there was a decrease or a relatively small increase in the amount of unfunded vested benefits in all plan size and industry groups except for plans with 50,000 or more participants (largest size group) and plans in the manufacturing industry. These two groups had substantial increases in unfunded benefits. The unfunded benefits in the largest plan size group increased by $4.4 billion, and those in the manufacturing group increased by $3.7 billion.

Table 6:

Changes in Plans, Participants, and Unfunded Vested Benefits by Plan Size and Industry Group (1981-83)

Group	Plans 1981	Plans 1983	Plans Percent change	Participants (thousands) 1981	Participants (thousands) 1983	Participants Percent change	Underfunded amount (millions) 1981	Underfunded amount (millions) 1983	Underfunded amount Percent change
Plan size:									
100 - 499	2,056	1,413	-31.3	495	339	-31.5	$ 1,149	$ 853	-25.8
500 - 999	486	351	-27.8	339	247	-27.1	971	750	-22.8
1,000 - 4,999	509	330	-35.2	1,055	678	-35.7	3,070	2,347	-23.6
5,000 - 9,999	69	54	-21.7	501	389	-22.4	1,569	1,332	-15.1
10,000 - 24,999	46	33	-28.3	639	477	-25.4	2,512	2,602	+3.6
25,000 - 49,999	15	14	-6.7	524	493	-5.9	1,959	1,588	-18.9
50,000 and over	7	4	-42.9	804	490	-39.1	3,575	7,995	+123.6
Unknown[a]	71	85	+19.7	3	5	+66.7	23	42	+82.6
Total[b]	3,259	2,284	-29.9	4,360	3,119	-28.5	$14,828	$17,508	+18.1
Industry:									
Agriculture, forestry, and fishing	18	14	-22.2	15	10	-33.3	$ 37	$ 40	+8.1
Construction	63	53	-15.9	107	86	-19.6	457	441	-3.5
Finance, insurance, and real estate	111	42	-62.2	111	50	-55.0	213	101	-52.6
Manufacturing	2,226	1,654	-25.7	3,082	2,286	-25.8	11,223	14,930	+33.0
Mining	46	29	-37.0	30	17	-43.3	76	67	-11.8
Retail trade	93	63	-32.3	215	176	-18.1	330	265	-19.7
Services	263	148	-43.7	199	138	-30.7	151	110	-27.2
Tax exempt organizations	117	85	-27.4	121	72	-40.5	370	214	-42.2
Transportation, communication, and utilities	158	100	-36.7	369	211	-42.8	1,674	1,269	-24.2
Wholesale trade	96	56	-41.7	32	20	-37.5	52	45	-13.5
Unknown[a]	68	40	-41.2	79	53	-32.9	245	27	-89.0
Total[b]	3,259	2,284	-29.9	4,360	3,119	-28.5	$14,828	$17,508	+18.1

[a]Includes those plans for which data were not available to permit them to be categorized by plan size or industry.

[b]Columns may not add to totals due to rounding.

SELECTED INFORMATION ON THE EXTENT OF PLANS' UNFUNDED ACCRUED BENEFITS ON THE PLAN CONTINUATION BASIS FOR PLAN YEAR 1983

Table I.1:

Underfunded Plans and the Participants and Unfunded Accrued Benefits in Them by Percent Funded for Plan Year 1983

Percent funded	Plans Number	Plans Percent	Participants Number (thousands)	Participants Percent	Unfunded benefits Amount (millions)	Unfunded benefits Percent
Less than 25	198	4.4	208	3.8	$ 6,475	22.5
25 but less than 50	499	11.1	669	12.2	7,710	26.8
50 but less than 75	1,426	31.7	1,882	34.4	10,814	37.5
75 but less than 100	2,378	52.8	2,705	49.5	3,805	13.2
Total[a]	4,501	100.0	5,465	100.0	$28,805	100.0

Table I.2:

Underfunded Plans and the Participants and Unfunded Accrued Benefits in Them by Dollar Amount of Underfunding for Plan Year 1983

Amount	Plans Number	Plans Percent	Participants Number (thousands)	Participants Percent	Unfunded benefits Amount (millions)	Unfunded benefits Percent
Under $1 million	3,133	69.6	1,132	20.7	$ 938	3.3
$1 but under $5 million	905	20.1	958	17.5	2,006	7.0
$5 but under $25 million	340	7.6	1,162	21.3	3,581	12.4
$25 but under $100 million	84	1.9	720	13.2	4,033	14.0
$100 but under $500 million	33	0.7	829	15.2	6,256	21.7
$500 million and over	6	0.1	662	12.1	11,989	41.6
Total[a]	4,501	100.0	5,465	100.0	$28,805	100.0

[a]Columns may not add to totals due to rounding.

Table I.3:

Underfunded Plans and the Participants and Unfunded Accrued Benefits in Them by Plan Size and Industry Groups for Plan Year 1983

Group	Plans			Participants			Underfunded	
		Underfunded			Underfunded			
	Total	Number	Percent	Total	Number	Percent	Amount	Percent
Plan size:				(thousands)			(millions)	
100 - 499	8,829	2,878	32.6	2,077	672	32.4	$ 1,605	5.6
500 - 999	2,276	669	29.4	1,614	469	29.1	1,367	4.7
1,000 - 4,999	2,389	619	25.9	4,885	1,266	25.9	4,333	15.0
5,000 - 9,999	348	100	28.7	2,476	719	29.0	2,419	8.4
10,000 - 24,999	185	54	29.2	2,790	804	28.8	3,953	13.7
25,000 - 49,999	64	21	32.8	2,167	734	33.9	4,209	14.6
50,000 and over	26	6	23.1	3,253	792	24.3	10,860	37.7
Unknown[a]	464	154	33.2	24	9	37.5	58	0.2
Total[b]	14,581	4,501	30.9	19,285	5,465	28.3	$28,805	100.0
Industry:								
Agriculture, forestry, and fishing	102	30	29.4	82	15	18.3	$ 56	0.2
Construction	291	111	38.1	401	194	48.4	985	3.4
Finance, insurance, and real estate	1,370	122	8.9	1,867	115	6.2	256	0.9
Manufacturing	7,777	3,002	38.6	10,531	3,713	35.3	22,727	78.9
Mining	309	70	22.7	237	29	12.2	103	0.4
Retail trade	530	142	26.8	1,492	309	20.7	420	1.5
Services	1,850	406	21.9	1,718	293	17.1	307	1.1
Tax exempt organizations	671	178	26.5	696	221	31.8	606	2.1
Transportation, communication, and utilities	774	210	27.1	1,529	415	27.1	3,164	11.0
Wholesale trade	574	127	22.1	301	54	17.9	102	0.4
Unknown[a]	333	103	30.9	431	106	24.6	78	0.3
Total[b]	14,581	4,501	30.9	19,285	5,465	28.3	$28,805	100.0

[a]Includes those plans for which data were not available to permit them to be categorized by plan size or industry.

[b]Columns may not add to totals due to rounding.

SELECTED INFORMATION ON THE CHANGES IN PLANS' UNFUNDED ACCRUED BENEFITS ON THE PLAN CONTINUATION BASIS (1981-83)

Table II.1:

Changes in Underfunded Plans and the Participants and Unfunded Accrued Benefits in Them by Percent Funded (1981-83)

	Plans			Participants			Unfunded benefits		
Percent funded	1981	1983	Percent change	1981	1983	Percent change	1981	1983	Percent change
				(thousands)			(millions)		
Less than 25	139	81	-41.7	95	141	+48.4	$ 854	$ 6,151	+620.3
25 but under 50	603	294	-51.2	721	522	-27.6	6,708	6,623	-1.3
50 but under 75	1,484	1,006	-32.2	2,097	1,366	-34.9	10,025	7,902	-21.2
75 but under 100	2,162	1,620	-25.1	2,799	2,091	-25.3	3,857	3,167	-17.9
Total[a]	4,388	3,001	-31.6	5,712	4,120	-27.9	$21,445	$23,844	+11.2

Table II.2:

Changes in Underfunded Plans and the Participants and Unfunded Accrued Benefits in Them by Dollar Amount of Underfunding (1981-83)

	Plans			Participants			Underfunded amount		
Amount	1981	1983	Percent change	1981	1983	Percent change	1981	1983	Percent change
				(thousands)			(millions)		
Under $1 million	2,996	1,996	-33.4	1,171	751	-35.9	$ 921	$ 627	-31.9
$1 but under $5 million	921	653	-29.1	1,061	667	-37.1	2,007	1,439	-28.3
$5 but under $25 million	358	259	-27.7	1,138	890	-21.8	3,911	2,801	-28.4
$25 but under $100 million	77	60	-22.1	910	556	-38.9	3,820	2,880	-24.6
$100 but under $500 million	32	28	-12.5	798	727	-8.9	6,028	5,516	-8.5
$500 million and over	4	5	+25.0	634	528	-16.7	4,758	10,580	+122.4
Total[a]	4,388	3,001	-31.6	5,712	4,120	-27.9	$21,445	$23,844	+11.2

[a]Columns may not add to totals due to rounding.

Table II.3:

Changes in Underfunded Plans and the Participants and Unfunded Accrued Benefits in Them by Plan Size and Industry Group (1981-83)

Group	Plans 1981	Plans 1983	Plans Percent change	Participants 1981 (thousands)	Participants 1983 (thousands)	Participants Percent change	Underfunded amount 1981 (millions)	Underfunded amount 1983 (millions)	Underfunded amount Percent change
Plan size:									
100 - 499	2,726	1,845	-32.3	650	445	-31.5	$ 1,530	$ 1,102	-28.0
500 - 999	717	465	-35.1	500	326	-34.8	1,338	989	-26.1
1,000 - 4,999	679	444	-34.6	1,408	901	-36.0	4,215	3,138	-25.6
5,000 - 9,999	90	75	-16.7	646	539	-16.6	2,306	1,828	-20.7
10,000 - 24,999	59	41	-30.5	852	613	-28.1	3,591	3,536	-1.5
25,000 - 49,999	18	18	-0-	620	630	+1.6	2,951	3,751	+27.1
50,000 and over	8	5	-37.5	1,031	659	-36.1	5,485	9,452	+72.3
Unknown[a]	91	108	+18.7	4	7	+75.0	30	48	+60.0
Total[b]	4,388	3,001	-31.6	5,712	4,120	-27.9	$21,445	$23,844	+11.2
Industry:									
Agriculture, forestry, and fishing	23	21	-8.7	18	12	-33.3	$ 42	$ 44	+4.8
Construction	87	66	-24.1	129	99	-23.3	650	596	-8.3
Finance, insurance, and real estate	204	74	-63.7	228	91	-60.1	453	218	-51.9
Manufacturing	2,834	2,094	-26.1	3,643	2,873	-21.1	16,172	18,948	+17.2
Mining	66	45	-31.8	41	24	-41.5	124	84	-32.3
Retail trade	154	91	-40.9	550	241	-56.2	506	365	-27.9
Services	418	236	-43.5	319	217	-32.0	307	202	-34.2
Tax exempt organizations	162	105	-35.2	170	92	-45.9	491	308	-37.3
Transportation, communication, and utilities	208	132	-36.5	453	354	-21.9	2,318	2,963	+27.8
Wholesale trade	147	75	-49.0	62	27	-56.5	80	60	-25.0
Unknown[a]	85	62	-27.1	100	91	-9.0	303	57	-81.2
Total[b]	4,388	3,001	-31.6	5,712	4,120	-27.9	$21,445	$23,844	+11.2

[a]Includes those plans for which data were not available to permit them to be categorized by plan size or industry.

[b]Columns may not add to totals due to rounding.

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