

Employee Benefits in Medium and Large Private Establishments, 1991



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Preface

This bulletin presents results of a 1991 Bureau of Labor Statistics survey that dealt with the incidence and detailed provisions of selected employee benefit plans in medium and large private establishments. The survey provides representative data for 36 million employees in the Nation's private nonagricultural industries. Appendix A describes in detail the coverage and statistical procedures used in the survey.

The 1991 Employee Benefits Survey reports on benefits provided to employees in establishments with 100 or more workers in all private nonfarm industries. With the publication of these data, the Bureau of Labor Statistics (BLS) completes the final phase of a plan to expand 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 for full-time employees in State and local governments with 50 employees or more. In 1988 and 1989, expanded surveys of medium and large establishments covered full-time employees in establishments employing 100 workers or more in all private industries.

Beginning in 1990, the Employee Benefits Survey included both full-time and part-time employees in all private industries (regardless of the number of employees) and State and local governments. In that year, the survey covered small private establishments (those employing fewer than 100 workers) and governments. This bulletin, reporting on the 1991 survey of employees in medium and large private establishments, includes part-time workers in those establishments for the first time. 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. Chapters 2 through 8 apply to full-

time employees; chapter 9 addresses part-time workers.

Many persons in the Office of Compensation and Working Conditions contributed to this publication. The following persons in the Division of Occupational Pay and Employee Benefits Levels compiled and analyzed the data for this bulletin: Cathy Baker, Michael Bucci, Thomas Charboneau, Edward Coates, Kenneth Elliott, Jason Ford, Avy Graham, Robert Grant, Glenn Grossman, Douglas Hedger, Stephanie Hyland, Natalie Kramer, Marc Kronson, John Murphy, Laura Scofea, Patrick Seburn, Margaret Simons, Cynthia Thompson, Jerline Thompson, and Arthur Williams. They worked under the direction of Allan Blostin, James Houff, and John Morton. Mahin Eslami prepared the text for publication.

Computer programming and systems design were provided by David Caples, Mary Constable, Mohamed Elzein, Aholivah Maier, Lien Nham, Cheryl Sims, and Edward Thomas of the Division of Directly Collected Periodic Surveys, with the direction of Leslie Chappel. Larry Huff, Thomas Kelly, Mary Gessley, and Jill Montaquila of the Statistical Methods Group were responsible for the sample design, nonresponse adjustments, sample error computations, and other statistical procedures; Chester Ponikowski directed their efforts. Fieldwork for the survey was directed by the Bureau's Assistant Regional Commissioners for Operations.

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Direct your comments to: Bureau of Labor Statistics, Employee Benefits Survey, Room 4160, 2 Massachusetts Ave., NW., Washington, DC 20212-0001.

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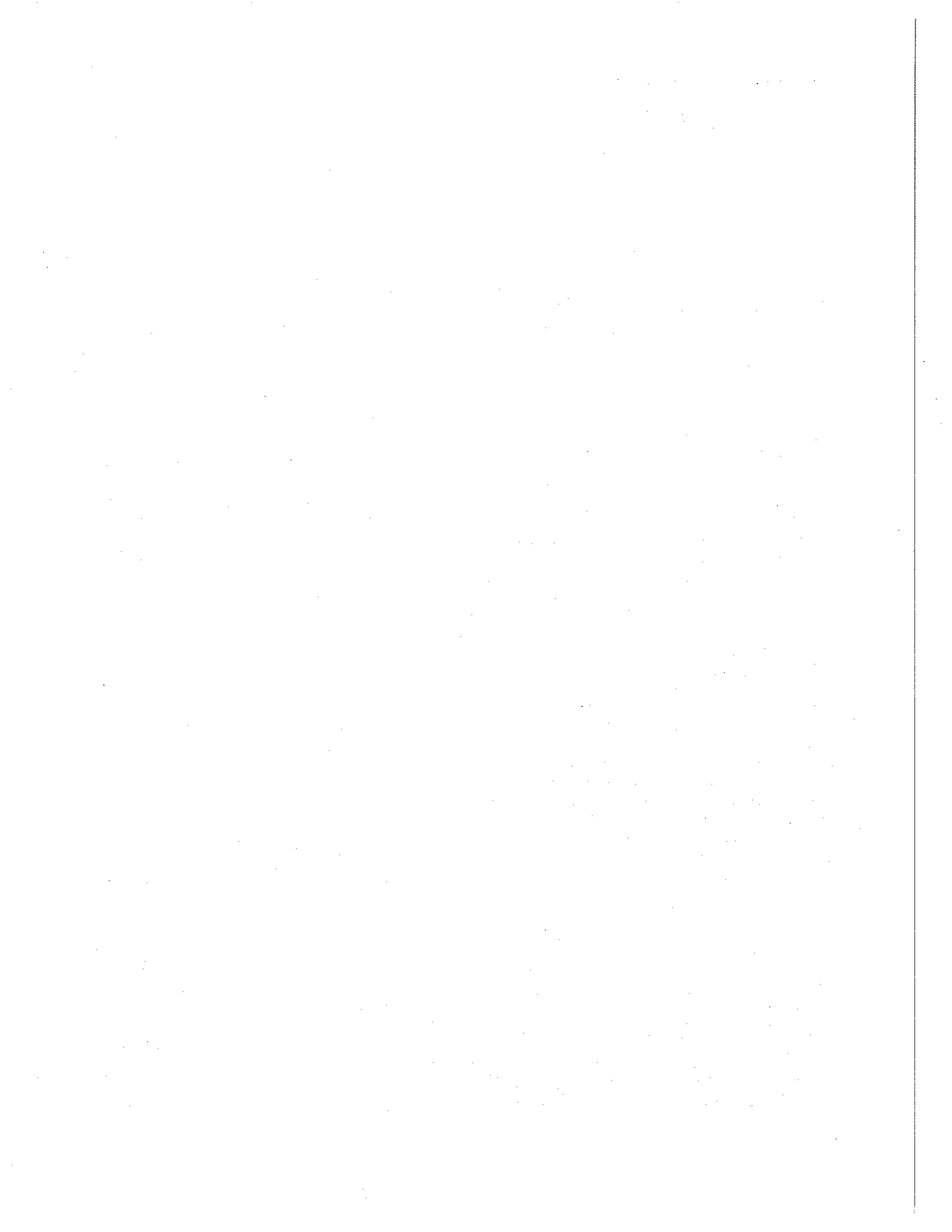
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Chapter 1. Incidence of Employee Benefit Plans

The Bureau's 1991 survey of medium and large establishments in private industry 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 the survey data are limited to formal plans, this bulletin may understate the extent of such benefits as rest periods and personal leave.²

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

For the 1991 survey of benefits in medium and large private establishments, BLS collected information for both full-time and part-time employees. Employees were classified as either full-time or part-time workers in accordance with their employers' practices. Part-time workers typically are scheduled to work fewer hours per week than full-time workers engaged in the same type of work activity.

The majority of full-time workers covered by the Employee Benefits Survey were provided³ medical care benefits, life insurance, retirement plans, paid holidays, and paid vacations (table 1). Data for full-time employees are discussed in chapters 1 through 8, and benefits for part-time employees are examined in chapter 9.

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

² The reader is cautioned against comparing data presented here with the results of the 1989 medium and large private establishment survey. The survey scope and data collection techniques have changed in numerous ways, as discussed in appendix A.

Time-off benefits

Paid holidays and vacations were available to over 90 percent of full-time employees in medium and large private establishments in 1991.⁴ In contrast, paid military leave was provided to 54 percent of workers and paid personal leave was provided to 21 percent of workers.⁵ At least 80 percent of full-time workers received paid funeral and jury-duty leave, and less than 10 percent had formal paid lunch periods.

In general, white-collar workers more likely received formal paid time-off benefits than did their blue-collar counterparts. This trend was most pronounced for sick leave and personal leave. Conversely, paid rest periods were more often available to production and service workers than to white-collar workers.

When employers did provide paid leave, covered employees received, on average:

- 10 holidays each year;
- Vacations of 9 days at 1 year of service, 17 days at 10 years, and 20 days at 20 years;
- 3 days of funeral leave per occurrence;
- 15 days of military leave per year;
- Jury-duty leave as needed.

Unpaid maternity leave was available to 37 percent of all full-time workers, and unpaid paternity leave to 26 per-

³ 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.

⁴ In addition to data on all full-time employees in medium and large 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 of medium and large private establishments; see appendix A for further details.

⁵ Workers covered by a plan were labeled participants whether or not they used a benefit. For example, although 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.

cent. 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 just over 5 months. *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. For longer term or permanent disabilities, employees may have long-term disability insurance to replace their incomes. Such disability benefits were widely available to full-time employees:

- Two-thirds were offered paid sick leave; these plans provided, on average, almost 19 days per year at 5 years of service.
- 45 percent had sickness and accident insurance; these plans typically provided benefits for 26 weeks at 50, 60, or 67 percent of regular pay.
- 40 percent had long-term disability insurance available to them; more than twice as many white-collar as blue-collar workers received this protection.

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

Medical, dental, and vision care and life insurance

Medical care was among the most widespread benefits provided to full-time employees in medium and large private establishments—four-fifths of workers participated in such plans. The availability of other health-related benefits was less prevalent—60 percent of full-time employees participated in a dental care plan, and one-quarter had vision care coverage. Health care benefits varied little among occupational groups.

For full-time employees participating in medical care plans:

- Nearly half were in plans paid for entirely by the employer for individual medical care, and one-third for family coverage. When workers contributed, their monthly premiums averaged \$27 for individual coverage, and \$97 for family coverage.

- 16 percent participated in plans with a preferred provider option.
- 17 percent participated in health maintenance organization plans.

Among dental care participants:

- Virtually all had coverage for preventive and restorative dental procedures, and nearly three-fourths had coverage for orthodontia.
- The vast majority were covered by plans that imposed annual limits on dental expenses, typically \$1,000.

Life insurance protection was available to 94 percent of full-time employees in medium and large establishments in 1991. Among full-time employees with life insurance protection:

- Just over half were covered by life insurance based on a multiple of earnings, usually 1 or 2 times salary.
- One-half had insurance available on the lives of their spouses, although the majority had to pay the entire premium for such coverage;
- Two-fifths were in plans that continued employer-financed life insurance coverage after retirement.

Defined benefit pension and defined contribution plans

Nearly four-fifths of all full-time workers were covered by at least one retirement plan in 1991. Defined benefit plans, which specify a formula for determining future benefits, were available to three-fifths of full-time employees in medium and large establishments.

For participants in traditional defined benefit pension plans:

- The majority were in plans with formulas based on earnings, most frequently earnings in the final 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 65 with 5 years of service, age 62 with 10 years of service, and 30 years of service at any age;
- The majority of covered workers could retire with a reduced pension at age 55, most often after 10 years of service;

- Fewer than 1 in 10 covered workers were in plans that had granted at least one postretirement increase to retirees during the previous 5 years.
- About one-tenth of covered workers were in plans that included portability provisions, allowing employees to transfer pension credits to a new employer.

Defined contribution plans specify employer and employee contributions but do not guarantee future benefits. 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 nearly half of the full-time workers and were more prevalent among white-collar than blue-collar workers.

The most frequently observed types of defined contribution plans were savings and thrift plans and deferred profit sharing 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 the plan pays out funds. These plans are a type of 401(k) plan;
- The typical employer matching rate in a savings and thrift plan was 50 percent, and it generally applied to the first 6 percent of earnings the employee saved;
- Benefits from deferred profit sharing plans were determined by a stated formula or at the discretion of the company.

Flexible benefits plans and reimbursement accounts

Employees may receive benefits independently or as part of a package, complete with options, known as a flexible-benefits or cafeteria plan. Such plans were available to 1 in 10 full-time workers in the 1991 medium and large private establishment survey. Cafeteria arrangements let employees choose among several benefits, such as medical care, life insurance, and vacation days and among several levels of care within a given benefit.

Employer-sponsored reimbursement accounts were available to nearly two-fifths of full-time workers in 1991. 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 pretax basis, or both.

Other benefits

In addition to the major benefits just described, the survey estimated 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 that 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 onsite 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 three-fourths of full-time employees were eligible for job-related educational assistance, but non-job-related educational assistance was only offered to about one-quarter of workers.

Nonproduction cash bonuses were available to one-third of full-time employees, employee discounts to nearly half, and employer gifts to one-quarter. The incidence of these benefits differed little between blue- and white-collar workers.

Two employer-subsidized health promotion services—wellness programs and employee assistance programs—were surveyed in 1991. Employee wellness programs were offered to one-third of full-time employees. Independently of medical care benefits, these programs offered items such as exercise and physical fitness programs, weight control clinics, smoking-cessation programs, and stress management courses, to foster healthy lifestyles.

Employee assistance programs were available to slightly more than one-half of the workers. These programs furnished employee referral and counseling services concerning such problems as alcoholism, drug abuse, and emotional difficulties. Employee assistance programs relate closely to employee wellness programs and typically deal with more serious personal problems than the essentially preventive medical issues addressed by wellness programs. An additional health-related benefit, in-house infirmaries, was available to one-third of employees.

Less than 10 percent of full-time employees in medium and large private establishments were offered the following family-related benefits:

- 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.
- Child-care 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.⁶

⁶ For further analysis of dependent care, see Stephanie L. Hyland, "Helping Employees with Family Care," *Monthly Labor Review*, September 1990, pp. 22-26.

- Eldercare includes employer subsidies for daycare for elderly or disabled dependents, or time off for employees to handle such matters.⁷

⁷ See chapter 8, Plan Administration, for information on reimbursement accounts, an alternative means of subsidizing dependent care expenses.

The incidence of several benefits differed markedly by employee group. Among these were relocation expenses and travel accident insurance, which covered a larger proportion of professional and technical employees. This may be partly due to the greater likelihood of moving and travel among professional, technical, and related workers than among the other groups. Severance pay was also more frequently available to white-collar employees.

A Note on the Tables

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

For example, table 1 indicates that 83 percent of all full-time employees were covered by a medical care plan. In chapter 4, most of the tables present data on the percent of workers with medical care who have certain provisions. Workers with medical care equal 100 percent in these tables, with smaller percentages indicating the availability of plan features. For example, in table 40, 100 percent refers to those workers with medical care plans, and 67 percent indicates those workers with medical care covered by a fee-for-service plan. Appendix A discusses data calculation in more detail.

Table 1. Summary: Percent of full-time employees participating¹ in selected employee benefit programs, medium and large private establishments,² 1991

Employee benefit program	All employees ³	Professional, technical, and related employees ³	Clerical and sales employees ³	Production and service employees ³	Employee benefit program	All employees ³	Professional, technical, and related employees ³	Clerical and sales employees ³	Production and service employees ³
Paid:					Dental insurance—Continued				
Holidays	92	93	94	90	Family coverage:				
Vacations	96	97	98	95	Wholly employer financed	26	25	23	29
Personal leave	21	29	26	13	Partly employer financed	34	42	37	28
Lunch period	8	5	4	11	Life insurance	94	98	95	92
Rest time	67	58	67	71	Wholly employer financed	80	83	82	77
Funeral leave	80	84	82	77	Partly employer financed	14	15	13	14
Jury duty leave	86	92	88	82	All retirement ⁴	78	83	77	75
Military leave	54	63	56	48	Defined benefit pension	59	60	56	59
Sick leave	67	87	82	48	Wholly employer financed	56	57	54	56
Maternity leave	2	3	2	1	Partly employer financed	3	3	2	3
Paternity leave	1	1	1	(⁵)	Defined contribution ⁶	48	57	53	39
Unpaid:					Uses of funds:				
Maternity leave	37	43	38	33	Retirement ⁷	39	48	44	31
Paternity leave	26	31	26	23	Wholly employer financed ⁸	14	14	13	14
Sickness and accident insurance	45	32	35	57	Partly employer financed	26	35	31	17
Wholly employer financed	33	19	23	46	Capital accumulation ⁹	9	10	10	9
Partly employer financed	11	13	12	10	Wholly employer financed ⁸	2	1	1	3
Long-term disability insurance	40	61	49	24	Partly employer financed	7	9	9	6
Wholly employer financed	31	46	38	20	Types of plans:				
Partly employer financed	9	15	11	4	Savings and thrift	29	38	35	20
Medical care	83	85	81	84	Deferred profit sharing	16	13	16	18
Employee coverage:					Employee stock ownership	3	4	4	2
Wholly employer financed	41	38	35	46	Money purchase pension	7	11	7	5
Partly employer financed	42	47	46	38	Stock bonus	(⁵)	(⁵)	(⁵)	-
Family coverage:					Stock option	(⁵)	(⁵)	(⁵)	(⁵)
Wholly employer financed	26	21	22	31	Stock purchase	2	4	2	2
Partly employer financed	57	64	59	53	Cash only profit-sharing	1	1	1	(⁵)
Dental care	60	67	60	57	Flexible benefits plans	10	16	10	6
Employee coverage:					Reimbursement accounts	36	48	40	26
Wholly employer financed	35	36	31	37					
Partly employer financed	25	31	29	20					

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 See appendix A for definitions of the occupational groups.

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 Less than 0.5 percent.

⁶ 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.

⁷ 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.

⁸ Employees participating in two or more plans were counted as participants in wholly employer-financed plans only if all plans were noncontributory.

⁹ 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 2. Other benefits: Percent of full-time employees eligible for specified benefits, medium and large private establishments, 1991

Benefit	All employees	Professional, technical, and related employees	Clerical and sales employees	Production and service employees
Income continuation plans:				
Severance pay	41	55	48	30
Supplemental unemployment benefits	4	2	2	7
Transportation benefits:				
Free or subsidized employee parking	88	86	85	92
Subsidized commuting	5	7	7	4
Job-related travel accident insurance	42	55	47	32
Gifts and cash bonuses:				
Gifts	24	25	25	23
Nonproduction bonuses	35	33	36	35
Financial and legal services:				
Financial counseling	14	16	15	13
Prepaid legal services	6	3	5	8
Family benefits:				
Employer assistance for child care	8	11	9	5
Adoption financial assistance	8	12	9	4
Eldercare	9	11	12	6
Long-term care insurance	4	6	5	2
Health promotion programs:				
In-house infirmary	34	42	27	33
Wellness programs	35	47	34	28
Employee assistance programs ..	56	64	56	51
Miscellaneous benefits:				
Employee discounts	49	46	55	48
Employer-subsidized recreation facilities	26	34	25	23
Subsidized meals	22	32	20	17
Sabbatical leave	10	15	7	8
Relocation allowance	31	50	30	21
Education assistance:				
Job related	72	87	73	64
Not job related	23	30	24	19

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 is available to employees in several different forms—from daily rest periods to annual vacations of several weeks. In 1991, the EBS covered the following paid time-off benefits: 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 almost four-fifths of the full-time employees covered by the survey (table 3). Alternatives, such as 35 or 37½ hours per week, were most common among white-collar workers. About four-fifths of the work force were scheduled to work five 8-hour days.

Nine percent of workers studied had formal flexible work arrangements, which give employees the opportunity to begin and end work within a range of hours. Limits on the amount of flexibility varied from plan to plan, but generally, employees had to be at work during midday core hours. White-collar workers were almost 3 times as likely to have flexible work schedules than were blue-collar workers.

Paid time off

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

Blue-collar employees who could take paid lunch periods averaged 26 minutes per day, and their white-collar counterparts averaged 39 minutes each day. Paid rest time, averaging 26 minutes a day, was provided most commonly as two daily breaks of 10 or 15 minutes each.

Paid holidays. Paid holidays, averaging 10.2 days per year, were provided to 92 percent of full-time employees. 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 four-fifths 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 96 percent of full-time employees (table 9). Vacation pay provisions for all employees averaged 9.3 days at 1 year of service, 16.5 days at 10 years, 20.4 days at 20 years, and 21.9 days at 30 years.

Plans covering white-collar employees generally provided more vacation days than those for blue-collar employees. About one-third of white-collar employees, for example, were eligible for 20 or more days of vacation at 10 years of service compared with just under one-fifth of blue-collar employees.

In cases when holidays, vacation, sick leave days, or personal leave are 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. Three percent of full-time employees were covered by leave bank plans, which typically offered a greater average number of days than vacation plans that were not leave banks.

Almost all white-collar employees received their regular salaries or earnings during vacation periods. Nearly 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 prevalent length-of-service requirement was 1 year for both white- and blue-collar participants. Blue-collar workers were much more likely

than white-collar workers to have a 1-year service requirement.

The survey also examined carryover and cash-in provisions for unused vacation time (table 11). Two-fifths of all full-time workers covered were allowed to carry over at least some of their unused vacation days into the next year; one-fifth could cash in some or all of their vacation days at the end of the year. The remaining workers lost unused vacation days at year's end. White-collar workers were more likely to have carryover provisions than blue-collar workers, who enjoyed an 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 both carry over and cash in unused vacation days. These employees typically averaged 4 or 5 more days a year than employees without cash-in or carryover provisions.

Paid personal leave. Formal personal leave allows employees to be absent from work with pay for a variety of reasons not covered by other specific leave plans. One-fifth of the full-time employees had such leave (table 13). Most commonly, employees provided personal leave were eligible for 1 to 5 days; the average was 3.3 days per year. Professional, technical, and related workers received an average of 3.4 days; both clerical and sales and production and service workers averaged 3.2 days. A few employees were provided as much personal leave as needed.

Paid funeral leave, jury-duty leave, and military leave. Four-fifths of full-time workers were eligible for paid leave to attend funerals of family members (table 14). Almost all eligible employees received a set number of days per occurrence, averaging 3.3 days.

Seventeen percent of participants had plans that varied the number of days off by family relationship (for example, 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 do not have a 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.)

Eighty-six percent of 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 54 percent of employees (table 16). The most common provision was 2 weeks off per year, but 12 percent of workers were in establishments providing paid military leave as needed. For workers with a specified number of days off, military leave averaged 14.8 workdays per year. Pay for military leave was either regular pay or the difference between regular pay and military pay.

Parental leave

Unpaid maternity leave was available to 37 percent of full-time employees; 26 percent were eligible for unpaid paternity leave (tables 17 and 18). White-collar workers were more likely to be covered by such plans than were blue-collar workers. Two percent of all full-time workers had paid maternity leave; paid paternity leave was virtually nonexistent. The survey defined parental leave plans as separate from an employee's other leave plans, such as sick leave and paid vacations, which a new mother or father might also use. 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 could reasonably expect to return to their own or similar jobs following leave, although the plans did not always specifically guarantee this.

For plans that provided a fixed number of days of unpaid maternity or paternity leave, maximum benefits averaged about 5 months. The average weeks varied slightly by occupational group.

Individual plans differed considerably in the amount of unpaid time allowed, ranging from under 4 weeks to over 2 years. 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. Meisheimer, "Employer Provisions for Parental Leave," *Monthly Labor Review*, October 1989, pp. 20-24.

Table 3. Work schedules: Percent of full-time employees by hours scheduled per week and per day, ¹ medium and large private establishments, 1991

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 30	1	1	1	2
30	(¹)	(¹)	(¹)	1
Over 30 and under 35	1	(¹)	1	1
35	5	6	7	2
Over 35 and under 37.5	2	2	2	2
37.5	8	12	11	4
Over 37.5 and under 40	3	3	5	2
40	78	73	71	84
Over 40 and under 50	2	2	1	1
50 and over	1	1	1	1
Hours per week not available	(¹)	(¹)	-	(¹)
Non-fixed work hours	1	1	(¹)	1
Hours per day:				
Under 5	1	(¹)	(¹)	1
5	(¹)	(¹)	(¹)	(¹)
Over 5 and under 6	1	(¹)	1	1
6	1	(¹)	(¹)	1
Over 6 and under 7	1	(¹)	1	1
7	5	6	7	2
Over 7 and under 8	12	16	18	7
8	78	74	72	84
Over 8 and under 10	1	2	1	1
10	1	1	(¹)	1
Over 10	1	1	(¹)	1
Hours per day not available	(¹)	(¹)	-	(¹)
Non-fixed work days	1	1	(¹)	1

¹ Work schedule data included 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 5. Paid rest time: Percent of full-time employees by minutes of paid rest time per day, medium and large private establishments, 1991

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	67	58	67	71
Under 15 minutes	1	1	1	2
15 minutes	6	6	7	6
20 minutes	20	15	16	24
Over 20 and under 30 minutes ...	1	(¹)	1	2
30 minutes	36	35	41	34
Over 30 and under 40 minutes ...	(¹)	(¹)	(¹)	(¹)
40 minutes	(¹)	(¹)	(¹)	1
Over 40 minutes	1	(¹)	(¹)	3
Number of minutes not available	1	1	1	1
Not provided paid rest time	33	42	33	29

¹ Less than 0.5 percent.

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

Table 4. Paid lunch time: Percent of full-time employees by minutes of paid lunch time per day, medium and large private establishments, 1991

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	5	4	11
Under 20 minutes	(¹)	(¹)	(¹)	1
20 minutes	2	(¹)	(¹)	4
Over 20 and under 30 minutes ...	(¹)	-	-	(¹)
30 minutes	4	3	1	5
Over 30 minutes	1	1	2	1
Number of minutes not available	(¹)	(¹)	(¹)	(¹)
Not provided paid lunch time	92	95	96	89

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, medium and large private establishments, 1991

Item	All employees	Professional, technical, and related employees	Clerical and sales employees	Production and service employees
Paid holidays	10.2	10.6	10.1	10.1
Paid vacation by minimum length of service requirement:¹				
After 1 year ²	9.3	11.8	9.4	7.8
After 3 years	11.1	12.8	10.9	10.2
After 5 years	13.4	15.4	13.5	12.2
After 10 years	16.5	18.5	16.4	15.5
After 15 years	18.7	20.3	18.9	17.7
After 20 years	20.4	21.9	20.4	19.5
After 25 years	21.5	22.9	21.5	20.8
After 30 years ³	21.9	23.4	21.9	21.1

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

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

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

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

Table 7. Paid holidays: Percent of full-time employees by number of paid holidays provided each year, medium and large private establishments, 1991

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	92	93	94	90
Under 5 days	1	(¹)	1	2
5 days	2	1	3	2
5.1 - 5.9 days	(¹)	(¹)	-	-
6 days	8	6	10	9
6.1 - 6.9 days	(¹)	(¹)	(¹)	(¹)
7 days	7	6	8	7
7.1 - 7.9 days	(¹)	(¹)	(¹)	(¹)
8 days	10	12	11	9
8.1 - 8.9 days	(¹)	(¹)	(¹)	(¹)
9 days	11	11	12	10
9.1 - 9.9 days	(¹)	(¹)	(¹)	(¹)
10 days	22	23	23	21
10.1 - 10.9 days	1	(¹)	1	(¹)
11 days	13	15	12	13
11.1 - 11.9 days	(¹)	(¹)	(¹)	(¹)
12 days	7	9	7	5
12.1 - 12.9 days	1	1	1	1
13 days	4	5	3	3
Over 13 days	4	2	2	6
Number of days not available	1	(¹)	-	1
Not provided paid holidays	8	7	6	10

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, medium and large private establishments, 1991

Holiday policy	All employees	Professional, technical, and related employees	Clerical and sales employees	Production and service employees
Total	100	100	100	100
Holiday is not observed	2	2	3	1
Another day off is granted	80	81	83	77
Additional day's pay in lieu of holiday	5	3	3	7
Another day off or day's pay, depending on when holiday falls	8	8	6	9
Another day off or holiday not observed, depending on when holiday falls	1	1	1	1
Other provision applies ¹	2	2	2	1
Holiday policy not determinable	3	2	2	4

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 days provided for selected periods of service, medium and large private establishments, 1991

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					
Provided paid vacations ¹	96	97	98	95	After 5 years of service:—Continued				
Vacation days by minimum length-of-service requirement ²					Over 15 and under 20 days	2	4	2	2
After 1 year of service:					20 days	7	14	6	3
Under 5 days	(³)	(³)	(³)	1	Over 20 and under 25 days	2	3	1	1
5 days	31	7	24	48	25 days	1	1	(³)	(³)
Over 5 and under 10 days	1	1	1	1	Over 25 and under 30 days	1	3	1	(³)
10 days	48	58	61	35	30 days and over	1	1	(³)	(³)
Over 10 and under 15 days	3	5	2	2	After 10 years of service:				
15 days	6	12	5	3	Under 5 days	(³)	-	(³)	(³)
Over 15 and under 20 days	1	1	1	1	5 days	1	(³)	1	2
20 days	1	4	1	(³)	Over 5 and under 10 days	(³)	-	(³)	(³)
Over 20 and under 25 days	2	3	1	1	10 days	7	2	5	11
25 days and over	1	2	1	1	Over 10 and under 15 days	2	(³)	1	3
After 3 years of service:					15 days	52	42	58	55
Under 5 days	(³)	-	(³)	(³)	Over 15 and under 20 days	5	6	4	4
5 days	5	(³)	2	9	20 days	20	31	20	14
Over 5 and under 10 days	2	(³)	1	4	Over 20 and under 25 days	3	5	4	1
10 days	67	57	76	67	25 days	2	4	1	1
Over 10 and under 15 days	5	7	4	5	Over 25 and under 30 days	1	2	1	1
15 days	10	17	10	6	30 days	1	1	(³)	1
Over 15 and under 20 days	1	2	1	1	Over 30 days	1	3	1	1
20 days	2	6	1	(³)	After 15 years of service:				
Over 20 and under 25 days	2	4	1	1	Under 5 days	(³)	-	(³)	(³)
25 days and over	1	3	1	1	5 days	1	(³)	1	2
After 5 years of service:					Over 5 and under 10 days	(³)	-	(³)	(³)
Under 5 days	(³)	-	(³)	(³)	10 days	5	2	3	7
5 days	2	(³)	1	3	Over 10 and under 15 days	(³)	(³)	(³)	(³)
Over 5 and under 10 days	1	(³)	(³)	1	15 days	23	14	18	30
10 days	39	21	34	51	Over 15 and under 20 days	4	5	4	3
Over 10 and under 15 days	6	8	6	5	20 days	51	56	62	43
15 days	36	41	45	28	Over 20 and under 25 days	4	6	4	3
					25 days	3	6	2	2
					Over 25 and under 30 days	1	2	1	1
					30 days	1	1	(³)	1
					Over 30 days	2	4	2	1

Table 9. Paid vacations: Percent of full-time employees by amount of paid vacation days provided for selected periods of service, medium and large private establishments, 1991—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
After 20 years of service:					After 25 years of service:—Continued				
Under 5 days	(³)	-	(³)	(³)	Over 20 and under 25 days	3	5	2	1
5 days	1	(³)	1	2	25 days	29	33	30	27
Over 5 and under 10 days	(³)	-	(³)	(³)	Over 25 and under 30 days	3	3	4	3
10 days	4	2	3	7	30 days	5	5	3	6
Over 10 and under 15 days	(³)	(³)	(³)	(³)	Over 30 days	3	5	2	2
15 days	12	6	10	16	After 30 years of service ⁴				
Over 15 and under 20 days	1	1	1	1	Under 5 days	(³)	-	(³)	(³)
20 days	48	48	58	43	5 days	1	(³)	1	2
Over 20 and under 25 days	4	7	4	3	Over 5 and under 10 days	(³)	-	(³)	(³)
25 days	18	23	16	17	10 days	4	2	3	6
Over 25 and under 30 days	3	3	3	2	Over 10 and under 15 days	(³)	(³)	(³)	(³)
30 days	1	1	(³)	1	15 days	11	6	9	14
Over 30 days	2	5	2	1	Over 15 and under 20 days	1	1	(³)	1
After 25 years of service:					20 days	34	36	41	29
Under 5 days	(³)	-	(³)	(³)	Over 20 and under 25 days	2	5	2	1
5 days	1	(³)	1	2	25 days	26	28	27	24
Over 5 and under 10 days	(³)	-	(³)	(³)	Over 25 and under 30 days	3	3	4	3
10 days	4	2	3	7	30 days	9	10	7	10
Over 10 and under 15 days	(³)	(³)	(³)	(³)	Over 30 days	4	6	3	3
15 days	11	6	9	14	Vacation schedule not available ...	(³)	(³)	(³)	(³)
Over 15 and under 20 days	1	1	(³)	1	Not provided paid vacations	4	3	2	5
20 days	35	37	42	31					

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

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

use immediately upon completion of the described length-of-service interval.

³ Less than 0.5 percent.

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

NOTE: 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, medium and large private establishments, 1991

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	91	87	92	93
1 month	6	9	7	4
2 months	1	1	1	1
3 months	7	8	8	6
4-5 months	1	1	(¹)	1
6 months	30	38	35	23
7-11 months	1	(¹)	1	1
1 year	45	29	40	56
Over 1 year	1	1	1	1
Without service requirement	7	13	7	5
Service requirement not determinable	2	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, medium and large private establishments, 1991

Policy	All participants	Professional, technical, and related participants	Clerical and sales participants	Production and service participants
Total	100	100	100	100
Carryover only	31	46	34	21
Cash-in only	11	6	7	17
Carryover and cash-in	7	9	8	5
Unused benefit lost	46	35	46	52
Data not available	5	3	5	5

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

Table 12. Paid vacations: Average number of days for full-time participants by length of service and cash-in/carryover provisions, medium and large private establishments, 1991

Vacation days by minimum length of service requirement ¹	All plans	Cash-in, carryover, or both	Carryover only	Cash-in only	Cash-in and carryover	No cash-in or carryover
After 1 year	9.3	10.2	10.6	7.2	13.5	8.4
After 3 years	11.1	11.7	11.8	10.0	14.2	10.5
After 5 years	13.4	14.1	14.5	11.6	16.8	12.7
After 10 years	16.5	17.4	17.6	15.0	20.6	15.6
After 15 years	18.7	19.5	19.7	17.1	22.5	17.9
After 20 years	20.4	21.2	21.3	19.2	24.3	19.6
After 25 years	21.5	22.2	22.3	20.3	24.8	20.9
After 30 years ²	21.9	22.5	22.6	20.5	24.9	21.4

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

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

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

Table 13. Paid personal leave: Percent of full-time employees by number of paid personal leave days provided per year, medium and large private establishments, 1991

Number of days	All employees	Professional, technical, and related employees	Clerical and sales employees	Production and service employees
Total	100	100	100	100
Provided personal leave	21	29	26	13
1 day	2	2	4	2
2 days	5	6	7	4
3 days	5	7	6	2
4 days	4	7	5	3
5 days	2	3	2	1
More than 5 days	1	1	2	1
No maximum specified ¹	1	2	(²)	(²)
Varies by length of service ³	2	2	3	1
Not provided personal leave	79	71	74	87

¹ Workers were provided as much personal leave as they needed.

² Less than 0.5 percent.

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

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

Table 15. Paid jury-duty leave: Percent of full-time employees by number of paid jury-duty leave days available per occurrence, medium and large private establishments, 1991

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	86	92	88	82
Under 10 days	1	1	(¹)	1
10 days	6	7	6	5
11-19 days	1	1	1	1
20 days	1	2	2	1
21 days	(¹)	(¹)	(¹)	(¹)
22-30 days	2	2	2	1
More than 30 days	1	1	1	1
No maximum specified ²	74	79	75	71
Number of days not available	1	1	1	1
Not provided paid jury-duty leave	14	8	12	18

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. 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, medium and large private establishments, 1991

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	80	84	82	77
1 day	1	(¹)	1	1
2 days	3	1	2	3
3 days	59	58	57	61
4 days	3	4	2	3
5 days	10	14	15	6
More than 5 days	(¹)	1	(¹)	(¹)
No maximum specified ²	3	5	4	2
Varies by length of service	1	(¹)	1	(¹)
Number of days not available	(¹)	(¹)	(¹)	(¹)
Not provided paid funeral leave	20	16	18	23
Number of days varies by relationship to deceased ³	17	21	19	13

¹ Less than 0.5 percent.

² Workers were provided as much funeral leave as needed.

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

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

Table 16. Paid military leave: Percent of full-time employees by number of paid military leave days available per year, medium and large private establishments, 1991

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	54	63	56	48
Less than 10 days	(¹)	1	1	(¹)
10 days	27	32	29	23
11-14 days	4	4	5	4
15 days	5	5	3	6
16-19 days	1	1	1	1
20 days	1	1	1	1
21-29 days	(¹)	(¹)	(¹)	(¹)
30 days	1	2	1	1
More than 30 days	2	2	2	1
No maximum specified ²	12	14	13	11
Number of days not available	1	1	(¹)	1
Not provided paid military leave	46	37	44	52

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 parental leave policy, medium and large private establishments, 1991

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	39	47	40	34
Eligible for maternity leave	39	46	40	34
Paid days only	1	2	1	(²)
Unpaid days only	36	42	36	33
Both unpaid and paid days	1	1	1	1
Information not available on type of days	1	1	1	1
Not eligible for maternity leave	(²)	(²)	(²)	(²)
Eligible for paternity leave	27	33	28	23
Paid days only	1	1	(²)	(²)
Unpaid days only	26	31	26	22
Both unpaid and paid days	(²)	(²)	(²)	(²)
Information not available on type of days	1	1	1	1
Not eligible for paternity leave	12	14	12	11
Not eligible for parental leave	61	53	60	66

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 maternity and paternity leave¹: Percent of eligible full-time employees by duration of benefits, medium and large private establishments, 1991

Duration	All 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	2	2	2	1
1 month	(²)	(²)	(²)	(²)
Over 1 but under 2 months	22	16	19	28
2 months	1	1	1	1
Over 2 but under 3 months	10	10	11	9
3 months	9	10	9	8
Over 3 but under 4 months	4	4	5	3
4 months	4	3	4	4
Over 4 but under 5 months	11	7	8	15
Over 5 but under 6 months	2	2	4	1
6 months	14	20	13	10
Over 6 but under 12 months	5	5	4	6
12 months	15	15	18	14
Over 12 but under 24 months	(²)	(²)	(²)	(²)
24 months	(²)	1	-	-
Over 24 months	2	4	1	1
Average months	5.32	6.27	5.25	4.65
Unpaid paternity leave				
Total	100	100	100	100
Under 1 month	1	1	(²)	2
1 month	(²)	-	-	(²)
Over 1 but under 2 months	22	15	20	27
2 months	1	1	1	(²)
Over 2 but under 3 months	12	12	13	11
3 months	9	12	9	8
Over 3 but under 4 months	4	5	3	4
4 months	3	3	4	3
Over 4 but under 5 months	10	5	7	16
Over 5 but under 6 months	1	(²)	2	1
6 months	13	18	13	9
Over 6 but under 12 months	3	2	2	4
12 months	18	19	23	15
Over 12 but under 24 months	(²)	1	1	(²)
24 months	(²)	1	-	-
Over 24 months	2	5	2	1
Average months	5.68	6.96	5.71	4.67

¹ Includes only plans that allowed a fixed number of unpaid leave days

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 protect workers against loss of income during temporary absences from work due to illness or accident.
- During more extended periods of disability, workers' incomes may be continued through long-term disability insurance plans.

Short-term disability protection, through sick leave, sickness and accident insurance, or both, was provided to 86 percent of all full-time employees in medium and large establishments in 1991 (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 two-thirds of the full-time employees and sickness and accident insurance to just under one-half of the full-time workers. One-fourth 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 11.2 days at full pay. Plans not coordinated with insurance provided 23.7 days.

In 1991, long-term disability insurance (LTD), which typically pays 60 percent of earnings, was made available to two-fifths of the full-time employees in medium and large establishments. 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, and sickness and accident insurance was more common among blue-collar workers.

Paid sick leave

Of the employees covered by paid sick leave plans, 76 percent were allowed a fixed number of days per year (annual sick leave plans). Fifteen percent of the participants received sick leave benefits for each illness ("per disability" plans). Most of the remainder were covered by both annual and "per disability" benefits (tables 20-27).

Employees having annual sick leave plans averaged 12.4 days after 1 year of service, 18.8 days after 5 years, 26.0 days after 15 years, and 30.3 days after 25 years. Nearly all workers covered by annual plans received full pay while they were sick and were not subject to a waiting period before benefits began.

About half 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 three-fourths of the employees in cumulative plans had limits on the amount of sick leave that could be carried over to the next year. The remaining workers in cumulative plans were allowed to accumulate an unlimited amount of sick leave.

On average, noncumulative plans provided a greater number of days per year than cumulative plans. After 1 year of service, for example, noncumulative plans provided 15.8 days per year, and cumulative plans provided 9.2 days per year. This difference increased at longer years of service. After 25 years of service, for example, workers in noncumulative plans averaged 50.9 days per year, but workers in cumulative plans averaged only 11.0 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.

Although 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 for a doctor's appointment (available to 55 percent of annual participants) or to take care of a sick child (36 percent) were the most frequently observed provisions.

Sickness and accident insurance

Sickness and accident insurance plans covered 45 percent of full-time employees in medium and large establishments, protecting them against income losses due to short-term disabilities. Three-fourths 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 28-30).

Benefit payments under sickness and accident insurance plans were either a percent of employee earnings or a flat dollar amount. White-collar participants more likely had coverage by plans with earnings-based formulas than did blue-collar participants.

Under earnings-based formulas, the percent of earnings was usually fixed—typically 50, 60, or 67 percent—although some plans varied the percent by length of service or length of disability. Three-fourths 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 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.

Forty-three percent of the employees with sickness and accident insurance had to be on the job for a specified time before the plan covered them. This service requirement was typically 6 months or less.

Sickness and accident insurance, unlike sick leave, usually requires a waiting period before benefits begin, most commonly 1 to 7 days. Waiting periods may be shortened or eliminated entirely for employees involved in an accident or who are hospitalized. 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 \$272 in New Jersey during 1991).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 \$274 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 un-

able to work for an extended period of time (tables 31-38). Generally, LTD benefit payments begin after 3 or 6 months of disability and continue until retirement age, or for a specified number of months, depending on the employee's age at the time of disability. In most instances, the LTD payments equal some percent of predisability earnings.

Of the full-time employees covered by the survey, 40 percent had LTD coverage; 22 percent of those employees with coverage had to contribute towards the cost of their plan. Of those with jointly financed LTD plans, nearly half could choose from various options under a "flexible benefits plan," with employee contributions varying by the mix of benefits selected. (See chapter 8 for additional information on flexible benefits plans.) Nearly one-fourth contributed a monthly amount per \$100 of covered earnings, usually ranging from 20 to 59 cents per \$100 of coverage.¹¹

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

Half of the full time participants had to wait 6 months after the onset of disability before beginning to receive LTD payments; 7 percent had longer waiting periods. Approximately 20 percent of the participants had waiting periods of 5 months or less. For another 19 percent, LTD benefits commenced after the expiration of sick leave and sickness and accident insurance benefits.

Eighty-six percent of all participants received their LTD benefit as a fixed percent of predisability earnings. The most prevalent 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 \$6,119.

About 90 percent of the white-collar participants were in plans that provided a fixed percent of earnings; 76 percent of blue-collar workers were in such plans. Blue-collar participants in plans with other benefit formulas were most likely to be covered by plans paying a scheduled dollar amount that varied by the level of the worker's earnings. In contrast, white-collar workers not covered by a plan paying a fixed percentage of earnings were most likely to have a plan that paid a variable percentage based on the level of earnings.

Seventy-seven percent of participants were in LTD plans that applied a monthly maximum limit, either a dollar maximum in plans that pay a fixed percent of earnings (42 percent), a disability income ceiling (11 percent), or a

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.

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.

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).

combination of both methods (24 percent). Disability income ceilings affect benefits only if the amount payable from the LTD plan plus income from other outside sources, such as family Social Security payments, exceed a specified percentage (most commonly 70 or 75 percent) of predisability earnings.

Plans imposed service requirements upon three-fifths of the LTD participants before coverage began. More than two-fifths had service requirements of 1 to 6 months, and slightly more than 1 in 10 had service requirements of 1 year. Rarely did plans require an employee to have reached a certain age to be eligible for LTD benefits.

Survivor benefits, payable to an eligible dependent upon

the death of a disabled employee, were available in plans covering 22 percent of the LTD participants. These benefits usually took the form of a lump-sum payment (most often equal to 3 times the monthly LTD benefit) or a percent of the monthly LTD benefit paid for a fixed number of months (generally not more than 6 months).

Plans that included coverage for disabilities due to mental illness covered 85 percent of long-term disability plan participants. However, half of these participants had limits placed upon such 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, medium and large private establishments, 1991

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 ..	86	92	89	81
Sickness and accident insurance only	19	5	8	34
Paid sick leave only	42	60	54	25
Combined sickness and accident insurance/paid sick leave	25	27	27	23
Without short-term disability coverage	14	8	11	19

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, medium and large private establishments, 1991

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	67	87	82	48
Sick leave provided on:				
An annual basis only ¹	51	61	64	39
A per disability basis only ²	10	18	10	6
Both an annual and per disability basis	4	6	7	2
As needed basis ³	1	2	1	1
Other basis ⁴	(⁵)	(⁵)	(⁵)	-
Policy not available	(⁵)	(⁵)	-	-
Not provided paid sick leave	33	13	18	52

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 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.

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 21. Paid sick leave: Percent of full-time employees by sick leave provision, medium and large private establishments, 1991

Sick leave policy ¹					Sick leave policy ¹				
	All employees	Professional, technical, and related employees	Clerical and sales employees	Production and service employees		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	67	87	82	48	After 15 years of service:—Continued				
Sick leave provided annually ³	55	66	70	41	10 and under 15 days	19	30	21	11
After 1 year of service:					15 and under 30 days	3	5	4	1
Under 5 days	4	1	4	5	30 and under 60 days	1	1	2	1
5 and under 10 days	22	18	33	18	60 and under 120 days	3	5	5	2
10 and under 15 days	20	33	21	12	120 and under 180 days	4	7	5	2
15 and under 30 days	5	9	6	2	180 days or more	1	2	1	(⁴)
30 and under 60 days	1	2	1	(⁴)	After 20 years of service:				
60 and under 120 days	(⁴)	1	1	(⁴)	Under 5 days	3	1	3	4
120 and under 180 days	1	2	1	1	5 and under 10 days	20	15	29	18
180 days or more	(⁴)	(⁴)	(⁴)	(⁴)	10 and under 15 days	19	30	21	11
After 5 years of service:					15 and under 30 days	3	5	3	1
Under 5 days	3	1	3	4	30 and under 60 days	1	1	2	1
5 and under 10 days	20	15	30	18	60 and under 120 days	3	4	5	2
10 and under 15 days	19	31	21	12	120 and under 180 days	3	6	3	1
15 and under 30 days	4	6	4	2	180 days or more	2	3	3	1
30 and under 60 days	3	5	3	1	After 25 years of service:				
60 and under 120 days	4	5	6	2	Under 5 days	2	1	2	3
120 and under 180 days	2	3	2	1	5 and under 10 days	21	15	30	19
180 days or more	(⁴)	1	(⁴)	(⁴)	10 and under 15 days	19	30	21	11
After 10 years of service:					15 and under 30 days	3	5	3	1
Under 5 days	3	1	3	4	30 and under 60 days	1	2	2	1
5 and under 10 days	20	15	29	18	60 and under 120 days	3	3	4	2
10 and under 15 days	19	30	21	11	120 and under 180 days	4	8	4	2
15 and under 30 days	3	5	3	1	180 days or more	2	3	3	1
30 and under 60 days	3	3	3	2	After 30 years of service: ⁵				
60 and under 120 days	4	4	6	2	Under 5 days	2	1	2	3
120 and under 180 days	3	6	2	1	5 and under 10 days	21	15	30	19
180 days or more	1	1	1	(⁴)	10 and under 15 days	19	30	21	11
After 15 years of service:					15 and under 30 days	3	5	3	1
Under 5 days	3	1	3	4	30 and under 60 days	1	2	2	1
5 and under 10 days	20	15	29	18	60 and under 120 days	3	3	4	2
					120 and under 180 days	4	7	4	2
					180 days or more	2	3	4	1

See footnotes at end of table.

Table 21. Paid sick leave: Percent of full-time employees by sick leave provision, medium and large private establishments, 1991—Continued

Sick leave policy ¹	Medium and large private establishments				Sick leave policy ¹	Medium and large private establishments			
	All employees	Professional, technical, and related employees	Clerical and sales employees	Production and service employees		All employees	Professional, technical, and related employees	Clerical and sales employees	Production and service employees
Sick leave provided on a per disability basis ⁶	15	24	17	8	After 15 years of service:—Continued				
After 1 year of service:					120 and under 180 days ..	6	11	7	4
Under 5 days	(⁴)	(⁴)	(⁴)	(⁴)	180 days or more	1	2	1	(⁴)
5 and under 10 days	1	2	2	1	After 20 years of service:				
10 and under 30 days	5	8	7	2	Under 5 days	(⁴)	(⁴)	(⁴)	(⁴)
30 and under 60 days	2	3	1	1	5 and under 10 days	1	(⁴)	1	1
60 and under 120 days	1	2	1	1	10 and under 30 days	1	3	2	(⁴)
120 and under 180 days ..	2	3	1	1	30 and under 60 days	1	2	1	1
180 days or more	1	2	1	(⁴)	60 and under 120 days	3	5	5	1
After 5 years of service:					120 and under 180 days ..	4	8	4	2
Under 5 days	(⁴)	(⁴)	(⁴)	(⁴)	180 days or more	3	5	4	2
5 and under 10 days	1	(⁴)	1	1	After 25 years of service:				
10 and under 30 days	2	4	4	1	Under 5 days	(⁴)	(⁴)	(⁴)	(⁴)
30 and under 60 days	3	5	2	2	5 and under 10 days	1	(⁴)	1	1
60 and under 120 days	5	8	7	3	10 and under 30 days	1	3	2	(⁴)
120 and under 180 days ..	2	4	2	1	30 and under 60 days	1	2	1	1
180 days or more	1	2	1	(⁴)	60 and under 120 days	2	4	4	1
After 10 years of service:					120 and under 180 days ..	5	9	5	2
Under 5 days	(⁴)	(⁴)	(⁴)	(⁴)	180 days or more	3	5	4	2
5 and under 10 days	1	(⁴)	1	1	After 30 years of service: ⁵				
10 and under 30 days	2	3	2	(⁴)	Under 5 days	(⁴)	(⁴)	(⁴)	(⁴)
30 and under 60 days	2	3	3	1	5 and under 10 days	1	(⁴)	1	1
60 and under 120 days	6	9	7	3	10 and under 30 days	1	3	2	(⁴)
120 and under 180 days ..	3	6	3	2	30 and under 60 days	1	2	1	1
180 days or more	1	2	1	(⁴)	60 and under 120 days	3	4	4	1
After 15 years of service:					120 and under 180 days ..	5	9	5	2
Under 5 days	(⁴)	(⁴)	(⁴)	(⁴)	180 days or more	3	5	4	2
5 and under 10 days	1	(⁴)	1	1	As needed basis ⁷	1	2	1	1
10 and under 30 days	1	3	2	(⁴)	Other basis ⁸	(⁴)	(⁴)	(⁴)	-
30 and under 60 days	1	2	1	1	Policy not available	(⁴)	(⁴)	-	-
60 and under 120 days	3	5	5	1	Not provided paid sick leave	33	13	18	52

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

⁴ Less than 0.5 percent.

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

⁶ Employees are granted a specific number of sick leave days for each illness or disability after completion of the described length-of-service interval.

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 sick leave: Average number of days at full pay for full-time participants by type of plan, medium and large private establishments, 1991

Sick leave policy	All participants	Professional, technical, and related participants	Clerical and sales participants	Production and service participants
Paid annual sick leave days¹ by minimum length-of-service requirement:				
After 1 year	12.4	15.9	11.1	10.2
After 3 years	15.5	20.8	14.1	11.8
After 5 years	18.8	24.6	18.2	13.8
After 10 years	22.9	30.3	22.9	15.9
After 15 years	26.0	34.0	26.7	17.8
After 20 years	28.2	36.3	29.4	19.5
After 25 years	30.3	38.9	32.0	20.8
After 30 years ²	30.6	39.2	32.3	21.0
Paid per disability sick leave days³ by minimum length-of-service requirement:				
After 1 year	53.8	65.0	38.7	49.1
After 3 years	54.1	66.4	40.8	47.6
After 5 years	68.6	78.4	58.7	62.7
After 10 years	81.8	93.2	71.9	72.9
After 15 years	97.3	104.7	90.2	92.1
After 20 years	109.7	113.3	105.2	108.8
After 25 years	121.7	121.7	119.2	125.0
After 30 years ²	122.5	122.3	120.2	125.6

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

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

³ Employees are granted a specific number of sick leave days for each illness or disability after completion of the described length-of-service interval.

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 sickness and accident insurance coordination, medium and large private establishments, 1991

Sick leave policy	All participants	Professional, technical, and related participants	Clerical and sales participants	Production and service participants	Sick leave policy	All participants	Professional, technical, and related participants	Clerical and sales participants	Production and service participants
Sick leave days by minimum length-of-service requirement²					Sick leave days by minimum length-of-service requirement²				
After 1 year of service:					After 15 years of service:				
With sickness and accident insurance	8.6	11.9	8.3	6.8	With sickness and accident insurance	13.8	21.7	12.5	9.8
Without sickness and accident insurance	14.9	17.9	12.6	13.9	Without sickness and accident insurance	34.0	40.2	34.1	26.1
After 3 years of service:					After 20 years of service:				
With sickness and accident insurance	10.6	17.3	9.2	7.3	With sickness and accident insurance	14.4	22.2	13.3	10.4
Without sickness and accident insurance	18.8	22.5	16.7	16.5	Without sickness and accident insurance	37.3	43.4	37.8	28.9
After 5 years of service:					After 25 years of service:				
With sickness and accident insurance	11.2	18.3	10.0	7.7	With sickness and accident insurance	14.9	22.5	13.7	11.0
Without sickness and accident insurance	23.7	27.8	22.6	20.1	Without sickness and accident insurance	40.6	47.1	41.6	31.1
After 10 years of service:					After 30 years of service³				
With sickness and accident insurance	12.7	20.4	11.5	8.9	With sickness and accident insurance	15.0	22.6	13.8	11.2
Without sickness and accident insurance	29.6	35.2	29.0	23.3	Without sickness and accident insurance	40.9	47.5	41.9	31.4

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

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

terval.

³ 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 Percent of full-time participants by unused sick leave policy and carryover provisions, medium and large private establishments, 1991

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	42	49	42	35
Cash-in only	10	4	8	17
Carryover and cash-in	9	8	6	13
Unused benefit lost	39	38	44	35
Data not available	(²)	(²)	(²)	1
Carryover provisions				
Total	100	100	100	100
Unlimited accumulation	26	27	29	21
Limit on total number of days accumulated	73	72	71	77
Under 10 days	4	5	3	5
10 days	6	3	7	8
11 - 19 days	4	2	6	5
20 days	2	1	2	2
21 - 24 days	2	3	2	1
25 days	1	1	(²)	1
26 - 29 days	(²)	(²)	-	-
30 - 39 days	12	8	12	16
40 - 49 days	4	4	3	4
50 days	1	1	1	2
51 - 64 days	7	7	7	7
65 days	3	4	3	3
66 - 79 days	4	5	4	3
80 - 89 days	1	2	1	1
90 - 99 days	3	4	4	2
100 - 109 days	1	1	1	2
110 - 119 days	(²)	(²)	-	1
120 - 129 days	4	5	3	3
130 days	4	5	5	2
Over 130 days	8	10	7	8
Days not available	1	(²)	(²)	2
Other ³	1	1	(²)	1
Data not available	(²)	(²)	(²)	(²)

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

² Less than 0.5 percent.

³ Carryover provisions vary by length of service.

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

Table 25. Paid annual sick leave:¹ Average number of days at full pay for full-time participants by accumulation policy, medium and large private establishments, 1991

Sick leave policy	All participants	Professional, technical, and related participants	Clerical and sales participants	Production and service participants
Paid annual sick leave days by minimum length-of-service requirement:²				
After 1 year of service				
Cumulative plan	9.2	10.8	8.3	8.2
Noncumulative plan	15.8	22.9	13.9	12.1
After 3 years of service				
Cumulative plan	9.5	11.2	8.8	8.4
Noncumulative plan	21.9	34.1	19.3	14.9
After 5 years of service				
Cumulative plan	9.8	11.4	9.1	8.6
Noncumulative plan	28.3	43.0	27.0	18.5
After 10 years of service				
Cumulative plan	10.3	11.9	9.7	9.1
Noncumulative plan	36.3	55.7	35.5	22.3
After 15 years of service				
Cumulative plan	10.6	12.2	10.1	9.2
Noncumulative plan	42.3	64.3	42.4	25.6
After 20 years of service				
Cumulative plan	10.9	12.4	10.4	9.6
Noncumulative plan	46.5	69.4	47.2	28.6
After 25 years of service				
Cumulative plan	11.0	12.5	10.5	9.7
Noncumulative plan	50.9	75.5	52.2	31.2
After 30 years of service ³				
Cumulative plan	11.0	12.6	10.6	9.7
Noncumulative plan	51.3	76.2	52.6	31.5

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

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

³ 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 26. Paid sick leave: Percent of full-time participants by length-of-service requirement for participation, medium and large private establishments, 1991

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	57	46	59	66
1 month	10	11	11	8
2 months	2	1	2	3
3 months	16	14	17	18
4-5 months	(¹)	(¹)	1	(¹)
6 months	19	15	20	20
7-11 months	(¹)	(¹)	(¹)	(¹)
1 year	9	4	7	15
Over 1 year	(¹)	(¹)	(¹)	1
Without service requirement	36	46	31	29
Data not available	8	8	10	5

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. Paid annual sick leave: Percent of full-time participants in plans allowing use of sick leave for other purposes, medium and large private establishments, 1991

Other purposes	All participants	Professional, technical, and related participants	Clerical and sales participants	Production and service participants
Total	100	100	100	100
Other purposes allowed ¹	65	65	63	67
Funeral	13	15	12	13
Doctors' appointments	55	57	52	57
Personal business	16	14	15	18
Care of sick child	36	39	36	33
Other	1	1	1	(²)
Other purposes not allowed	32	32	34	30
Data not available	3	3	2	3

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

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 28. Sickness and accident insurance: Percent of full-time participants by type and duration of payments, medium and large private establishments, 1991

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	11	4	66	2	10	2	3
Fixed percent of earnings	59	2	4	3	44	1	4	1	1
Fixed percent of earnings									
Less than 50	(1)	-	(1)	-	(1)	-	-	-	-
50	26	(1)	1	1	22	(1)	(1)	(1)	1
60	15	1	1	1	8	(1)	2	(1)	(1)
66	(1)	-	-	-	(1)	-	-	-	-
67	10	(1)	1	(1)	8	(1)	(1)	(1)	(1)
70	2	-	(1)	(1)	1	(1)	(1)	(1)	(1)
75	3	(1)	(1)	(1)	1	(1)	1	(1)	(1)
80	1	-	-	(1)	(1)	(1)	(1)	(1)	(1)
Other percent	2	(1)	(1)	-	2	(1)	(1)	(1)	(1)
Percent of earnings varies	3	-	(1)	(1)	1	(1)	(1)	1	(1)
By service	2	-	(1)	(1)	1	(1)	(1)	1	(1)
By length of disability	1	-	(1)	(1)	-	(1)	(1)	(1)	(1)
By both service and length of disability	(1)	-	-	(1)	(1)	(1)	-	(1)	(1)
By earnings	(1)	-	-	-	(1)	(1)	-	(1)	(1)
Fixed weekly dollar benefit	29	-	7	1	18	(1)	2	(1)	1
Less than \$60	2	-	1	(1)	1	-	(1)	(1)	(1)
\$60-\$79	2	-	1	1	(1)	-	(1)	(1)	(1)
\$80-\$99	2	-	1	(1)	1	-	(1)	(1)	(1)
\$100-\$119	4	-	1	(1)	2	-	(1)	(1)	(1)
\$120-\$139	4	-	2	(1)	2	-	(1)	(1)	(1)
\$140-\$159	3	-	(1)	(1)	2	-	(1)	(1)	(1)
\$160-\$179	3	-	(1)	(1)	3	-	(1)	(1)	(1)
\$180-\$199	1	-	-	(1)	1	-	(1)	(1)	(1)
\$200-\$219	3	-	-	(1)	3	-	(1)	(1)	(1)
\$220 or more	5	-	(1)	(1)	2	-	1	(1)	1
Weekly dollar benefit varies	8	-	(1)	-	3	(1)	4	(1)	(1)
By earnings	7	-	(1)	-	2	(1)	4	(1)	(1)
By service or length of disability	1	-	(1)	-	1	(1)	(1)	(1)	(1)
Other	(1)	-	-	(1)	(1)	-	(1)	-	(1)
Data not available	(1)	-	-	(1)	-	-	-	-	(1)
Professional, technical, and related									
All types	100	4	6	4	74	2	8	1	1
Fixed percent of earnings	89	4	5	4	66	1	7	1	1
Fixed percent of earnings									
Less than 50	1	-	(1)	-	1	-	-	-	-
50	43	(1)	2	1	39	(1)	-	(1)	(1)
60	23	4	1	2	13	1	3	(1)	(1)
66	-	-	-	-	-	-	-	-	-
67	10	(1)	1	(1)	9	-	(1)	(1)	(1)
70	3	-	(1)	(1)	2	-	1	(1)	(1)
75	5	(1)	-	(1)	1	1	3	(1)	(1)
80	2	-	-	(1)	(1)	-	1	(1)	(1)
Other percent	3	-	(1)	-	2	-	-	(1)	(1)

See footnotes at end of table.

Table 28. Sickness and accident insurance: Percent of full-time participants by type and duration of payments, medium and large private establishments, 1991—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									
Percent of earnings varies	1	-	()	()	1	()	()	()	()
By service	1	-	()	()	1	-	()	()	()
By length of disability	()	-	-	-	-	-	()	-	-
By both service and length of disability	()	-	-	()	-	()	-	()	-
By earnings	()	-	-	-	-	()	-	-	-
Fixed weekly dollar benefit	5	-	1	()	4	-	()	-	-
Less than \$60	()	-	()	()	()	-	()	-	-
\$60-\$79	()	-	()	-	()	-	()	-	-
\$80-\$99	()	-	()	-	()	-	()	-	-
\$100-\$119	1	-	()	-	1	-	-	-	-
\$120-\$139	()	-	()	()	-	-	-	-	-
\$140-\$159	1	-	-	-	1	-	-	-	-
\$160-\$179	()	-	-	-	()	-	-	-	-
\$180-\$199	-	-	-	-	-	-	-	-	-
\$200-\$219	2	-	-	-	2	-	-	-	-
\$220 or more	()	-	()	-	()	-	()	-	-
Weekly dollar benefit varies	3	-	-	-	3	-	()	-	()
By earnings	3	-	-	-	2	-	()	-	()
By service or length of disability ..	1	-	-	-	1	-	-	-	-
Other	1	-	-	()	1	-	-	-	-
Data not available	()	-	-	()	-	-	-	-	-
Clerical and sales									
All types	100	2	10	5	72	1	5	2	3
Fixed percent of earnings	76	2	5	3	60	()	3	1	2
Fixed percent of earnings									
Less than 50	()	-	-	-	()	-	-	-	-
50	32	-	2	1	28	-	()	()	2
60	17	2	2	2	10	-	()	()	1
67	17	()	1	1	15	()	1	()	()
70	4	-	()	()	3	-	()	()	()
75	3	()	1	()	1	-	1	()	()
80	()	-	-	-	()	-	-	()	()
Other percent	2	()	-	-	2	-	-	()	-
Percent of earnings varies	6	-	()	()	2	1	()	1	()
By service	4	-	()	()	2	-	()	1	()
By length of disability	1	-	()	-	-	1	()	-	()
By both service and length of disability	()	-	-	()	-	()	-	()	-
By earnings	()	-	-	-	-	()	-	-	()
Fixed weekly dollar benefit	13	-	4	1	6	-	1	-	()
Less than \$60	2	-	1	-	1	-	-	-	-
\$60-\$79	1	-	1	-	()	-	-	-	-
\$80-\$99	1	-	()	-	()	-	()	-	-
\$100-\$119	2	-	1	-	1	-	-	-	-
\$120-\$139	2	-	1	1	()	-	-	-	-
\$140-\$159	1	-	()	-	1	-	-	-	()
\$160-\$179	1	-	-	()	1	-	-	-	-

See footnotes at end of table.

Table 28. Sickness and accident insurance: Percent of full-time participants by type and duration of payments, medium and large private establishments, 1991—Continued

Type of payment	Total	Maximum weeks of coverage							Varies by service
		Less than 13	13	14-25	26	27-51	52	Over 52	
Clerical and sales—Continued									
\$180-\$199	1	-	-	-	(1)	-	-	-	(1)
\$200-\$219	2	-	-	-	2	-	-	-	-
\$220 or more	1	-	(1)	-	(1)	-	(1)	-	-
Weekly dollar benefit varies	5	-	-	-	3	(1)	1	-	(1)
By earnings	5	-	-	-	3	(1)	1	-	(1)
By service or length of disability ..	1	-	-	-	1	-	-	-	-
Other	(1)	-	-	(1)	(1)	-	(1)	-	-
Data not available	(1)	-	-	(1)	-	-	-	-	-
Production and service									
All types	100	1	13	4	62	2	12	2	4
Fixed percent of earnings	44	1	3	2	32	1	3	1	1
Fixed percent of earnings									
Less than 50	(1)	-	-	-	(1)	-	-	-	-
50	19	(1)	1	2	15	-	-	-	-
60	12	(1)	1	1	6	(1)	2	(1)	(1)
66	(1)	-	-	-	(1)	-	-	-	-
67	7	(1)	(1)	(1)	6	(1)	(1)	(1)	(1)
70	1	-	-	-	1	(1)	(1)	(1)	(1)
75	2	-	(1)	(1)	1	(1)	(1)	(1)	(1)
80	(1)	-	-	-	(1)	(1)	(1)	(1)	(1)
Other percent	3	(1)	(1)	-	2	(1)	-	(1)	-
Percent of earnings varies	3	-	(1)	(1)	1	(1)	(1)	1	(1)
By service	2	-	-	(1)	1	-	-	1	(1)
By length of disability	1	-	(1)	-	-	(1)	(1)	-	(1)
By both service and length of disability ..	(1)	-	-	(1)	(1)	-	-	(1)	-
By earnings	(1)	-	-	-	(1)	(1)	-	-	(1)
Fixed weekly dollar benefit	42	-	9	2	25	1	2	(1)	2
Less than \$60	3	-	1	(1)	1	-	-	-	(1)
\$60-\$79	3	-	2	1	(1)	-	-	-	-
\$80-\$99	3	-	1	(1)	1	-	(1)	(1)	-
\$100-\$119	5	-	2	-	3	-	-	(1)	-
\$120-\$139	6	-	2	(1)	3	(1)	-	(1)	-
\$140-\$159	4	-	(1)	(1)	3	(1)	-	-	(1)
\$160-\$179	5	-	-	(1)	4	-	(1)	-	(1)
\$180-\$199	2	-	-	(1)	1	-	(1)	-	(1)
\$200-\$219	4	-	-	(1)	4	(1)	(1)	-	-
\$220 or more	8	-	(1)	(1)	4	(1)	2	-	2
Weekly dollar benefit varies	11	-	(1)	-	3	(1)	7	(1)	1
By earnings	9	-	-	-	2	-	7	-	1
By service or length of disability ..	2	-	(1)	-	1	(1)	(1)	(1)	-
Other	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 29. Sickness and accident insurance: Percent of full-time participants with benefits based on percent of earnings formula by maximum weekly benefit, medium and large private establishments, 1991

Type of payment	Total	Maximum weekly benefit											No maximum	Data not available
		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	75	1	2	1	3	31	5	14	3	2	14	25	(¹)
Fixed percent of earnings	95	74	1	2	1	3	31	5	14	3	2	13	20	(¹)
Less than 50	(¹)	(¹)	-	-	(¹)	(¹)	-	-	-	(¹)	-	-	(¹)	-
50	42	36	(¹)	2	1	(¹)	30	1	(¹)	(¹)	(¹)	1	5	(¹)
60	24	19	-	(¹)	(¹)	2	1	2	3	2	1	9	5	(¹)
66	(¹)	(¹)	-	-	-	-	-	(¹)	(¹)	-	-	-	-	-
67	16	13	(¹)	(¹)	-	(¹)	(¹)	1	9	(¹)	(¹)	1	2	(¹)
70	3	1	(¹)	-	(¹)	(¹)	(¹)	(¹)	-	(¹)	(¹)	(¹)	1	-
75	4	2	-	-	-	-	-	-	-	(¹)	-	2	2	-
80	1	(¹)	-	-	-	-	-	-	-	-	(¹)	(¹)	1	-
Other percent	4	2	-	-	-	-	-	(¹)	1	(¹)	(¹)	(¹)	2	-
Percent of earnings varies	5	1	-	(¹)	-	-	-	-	(¹)	(¹)	-	(¹)	4	(¹)
Professional, technical, and related														
Total	100	78	1	(¹)	(¹)	2	40	4	10	3	2	14	22	(¹)
Fixed percent of earnings	99	78	1	(¹)	(¹)	2	40	4	10	3	2	14	21	(¹)
Less than 50	1	1	-	-	(¹)	(¹)	-	-	-	(¹)	-	-	(¹)	-
50	47	43	1	(¹)	-	(¹)	39	1	(¹)	(¹)	(¹)	1	4	(¹)
60	26	20	-	-	(¹)	1	-	2	4	3	1	9	6	(¹)
66	-	-	-	-	-	-	-	-	-	-	-	-	-	-
67	12	10	-	(¹)	-	-	(¹)	1	6	(¹)	-	2	2	(¹)
70	3	2	-	-	(¹)	1	-	(¹)	-	-	1	(¹)	1	-
75	5	1	-	-	-	-	-	-	-	1	-	1	4	-
80	2	(¹)	-	-	-	-	-	-	-	-	(¹)	-	2	-
Other percent	3	1	-	-	-	-	-	-	1	-	-	(¹)	2	-
Percent of earnings varies	1	(¹)	-	-	-	-	-	-	(¹)	-	-	(¹)	1	-
Clerical and sales														
Total	100	74	1	1	1	2	30	4	16	3	2	13	26	(¹)
Fixed percent of earnings	93	73	1	1	1	2	30	4	16	3	2	12	20	(¹)
Less than 50	(¹)	-	-	-	-	-	-	-	-	-	-	-	(¹)	-
50	39	33	1	1	1	(¹)	29	1	(¹)	-	(¹)	1	6	-
60	21	16	-	-	(¹)	2	-	1	2	2	1	7	5	(¹)
67	21	18	(¹)	(¹)	(¹)	(¹)	1	2	12	-	-	2	3	(¹)
70	4	2	1	-	(¹)	(¹)	(¹)	(¹)	-	(¹)	(¹)	(¹)	2	-
75	4	2	-	-	-	-	-	-	-	1	-	1	2	-
80	(¹)	-	-	-	-	-	-	-	-	-	-	-	(¹)	-
Other percent	3	1	-	-	-	-	-	-	1	-	-	(¹)	1	-
Percent of earnings varies	7	1	-	(¹)	-	-	-	-	(¹)	(¹)	-	(¹)	6	(¹)
Production and service														
Total	100	74	(¹)	4	2	3	27	5	15	3	1	14	25	(¹)
Fixed percent of earnings	93	73	(¹)	4	2	3	27	5	15	3	1	13	20	(¹)
Less than 50	(¹)	(¹)	-	-	-	-	-	-	-	(¹)	-	-	(¹)	-
50	40	34	(¹)	3	2	(¹)	25	1	1	(¹)	(¹)	1	6	-
60	25	19	-	(¹)	-	2	1	2	2	2	1	9	5	-
66	1	1	-	-	-	-	-	(¹)	1	-	-	-	-	-
67	15	13	-	1	-	(¹)	(¹)	1	10	-	(¹)	1	2	(¹)
70	2	1	(¹)	-	-	(¹)	(¹)	(¹)	-	(¹)	-	(¹)	1	-
75	4	2	-	-	-	-	-	-	-	(¹)	-	2	1	-
80	1	(¹)	-	-	-	-	-	-	-	-	-	(¹)	1	-
Other percent	5	2	-	-	-	-	-	(¹)	1	(¹)	(¹)	(¹)	3	-
Percent of earnings varies	7	1	-	-	-	-	-	-	(¹)	-	-	1	6	(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 30. Sickness and accident insurance: Percent of full-time participants by length-of-service requirement for participation,¹ medium and large private establishments, 1991

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	43	27	40	49
1 month	8	5	7	10
2 months	5	3	4	6
3 months	16	11	14	18
4-5 months	2	(²)	1	4
6 months	5	4	4	6
7-11 months	(²)	-	-	(²)
1 year	5	5	9	5
Over 1 year	1	1	1	(²)
Without service requirement	54	70	57	47
Service requirement not determinable	3	3	2	4

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 31. Long-term disability insurance: Percent of full-time participants by method of determining payment, medium and large private establishments, 1991

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	77	42	11	24	23
Fixed percent of earnings	86	71	40	9	23	15
Less than 50 percent	2	2	1	(³)	(³)	(³)
50 percent	18	14	4	6	4	5
55 percent	(³)	(³)	(³)	-	(³)	-
60 percent	51	43	25	2	15	8
65 or 67 percent	11	10	7	(³)	2	1
70 percent	3	2	1	(³)	1	1
More than 70 percent	1	(³)	(³)	-	-	(³)
Other percent	(³)	(³)	(³)	-	-	-
Percent varies by earnings	5	4	3	(³)	1	2
Percent varies by service	(³)	(³)	-	(³)	(³)	(³)
Percent varies during disability	2	2	(³)	2	(³)	(³)
Scheduled dollar amount varies by earnings	5	(³)	-	(³)	-	5
Other ⁴	(³)	-	-	-	-	(³)
Professional, technical, and related						
All methods	100	83	49	10	24	17
Fixed percent of earnings	91	76	46	6	24	15
Less than 50 percent	2	2	1	(³)	(³)	(³)
50 percent	15	10	4	2	4	5
55 percent	(³)	(³)	(³)	-	(³)	-
60 percent	58	50	30	3	17	8
65 or 67 percent	12	11	9	(³)	2	1
70 percent	3	3	2	(³)	1	(³)
More than 70 percent	1	1	1	-	-	(³)
Other percent	(³)	(³)	(³)	-	-	-
Percent varies by earnings	5	4	3	(³)	(³)	2
Percent varies by service	(³)	(³)	-	(³)	(³)	(³)
Percent varies during disability	3	3	(³)	3	(³)	(³)
Scheduled dollar amount varies by earnings	(³)	(³)	-	(³)	-	(³)

See footnotes at end of table.

Table 31. Long-term disability insurance: Percent of full-time participants by method of determining payment, medium and large private establishments, 1991—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	80	42	12	26	20
Fixed percent of earnings	90	73	39	10	25	16
Less than 50 percent	3	2	1	(³)	1	1
50 percent	21	17	5	7	4	5
55 percent	(³)	(³)	-	-	(³)	-
60 percent	49	41	23	2	16	8
65 or 67 percent	13	12	8	(³)	4	1
70 percent	4	2	1	(³)	1	1
More than 70 percent	1	(³)	(³)	-	-	(³)
Percent varies by earnings	7	5	3	-	1	3
Percent varies by service	(³)	(³)	-	(³)	(³)	(³)
Percent varies during disability	2	2	-	2	(³)	(³)
Scheduled dollar amount varies by earnings	1	(³)	-	(³)	-	1
Production and service						
All methods	100	65	33	12	20	35
Fixed percent of earnings	76	61	32	11	19	15
Less than 50 percent	2	1	1	(³)	(³)	(³)
50 percent	21	16	3	9	4	5
55 percent	(³)	(³)	(³)	-	(³)	-
60 percent	44	34	21	2	12	9
65 or 67 percent	7	7	5	(³)	1	(³)
70 percent	2	2	1	-	1	(³)
More than 70 percent	(³)	(³)	(³)	-	-	(³)
Other percent	(³)	(³)	(³)	-	-	-
Percent varies by earnings	4	2	1	(³)	1	2
Percent varies by service	(³)	(³)	-	-	(³)	(³)
Percent varies during disability	1	1	(³)	1	(³)	(³)
Scheduled dollar amount varies by earnings	17	(³)	-	(³)	-	16
Other ⁴	2	-	-	-	-	2

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.

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 32. Long-term disability insurance: Percent of full-time participants with benefits based on percent of earnings formula by maximum monthly benefit, medium and large private establishments, 1991

Type of payment	Total	Total with maximum ¹	Maximum monthly benefit										Other maximum ²	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	67	4	2	1	6	1	6	20	8	14	4	(⁰)	33
Fixed percent of earnings	91	63	4	2	1	6	1	6	19	7	13	4	(⁰)	29
Less than 50 percent	2	2	(⁰)	(⁰)	-	(⁰)	-	1	-	(⁰)	(⁰)	(⁰)	-	1
50 percent	20	8	1	1	(⁰)	(⁰)	-	1	3	(⁰)	1	1	-	12
55 percent	(⁰)	(⁰)	-	-	-	(⁰)	-	(⁰)	-	-	(⁰)	-	(⁰)	-
60 percent	54	41	2	1	(⁰)	5	(⁰)	2	13	5	9	2	(⁰)	13
65 or 67 percent	12	10	(⁰)	(⁰)	(⁰)	1	(⁰)	2	3	1	2	(⁰)	-	2
70 percent	3	2	-	(⁰)	-	-	-	-	(⁰)	1	1	(⁰)	-	1
More than 70 percent	1	(⁰)	-	-	(⁰)	-	-	-	-	-	(⁰)	-	-	(⁰)
Other percent	(⁰)	(⁰)	(⁰)	-	-	(⁰)	-	-	-	-	-	-	-	-
Percent varies by earnings	6	4	(⁰)	(⁰)	(⁰)	(⁰)	-	(⁰)	1	(⁰)	1	1	-	2
Percent varies by service	(⁰)	(⁰)	-	-	-	-	-	-	-	-	(⁰)	-	-	(⁰)
Percent varies during disability ..	2	(⁰)	-	-	(⁰)	(⁰)	-	-	(⁰)	-	-	-	-	2
Professional, technical, and related														
Total	100	70	3	2	2	7	(⁰)	7	21	8	14	5	-	30
Fixed percent of earnings	91	66	3	2	1	7	(⁰)	7	21	8	13	4	-	25
Less than 50 percent	2	2	(⁰)	-	-	(⁰)	-	1	-	(⁰)	(⁰)	(⁰)	-	(⁰)
50 percent	15	7	1	1	(⁰)	1	-	1	1	1	1	1	-	8
55 percent	(⁰)	(⁰)	-	-	-	(⁰)	-	-	-	-	(⁰)	-	-	-
60 percent	58	45	2	1	(⁰)	5	(⁰)	3	16	5	9	2	-	13
65 or 67 percent	12	11	(⁰)	(⁰)	(⁰)	1	(⁰)	2	3	1	2	(⁰)	-	2
70 percent	3	2	-	-	-	-	-	-	(⁰)	1	1	(⁰)	-	1
More than 70 percent	1	(⁰)	-	-	(⁰)	-	-	-	-	-	(⁰)	-	-	(⁰)
Other percent	(⁰)	(⁰)	-	-	-	(⁰)	-	-	-	-	-	-	-	-
Percent varies by earnings	5	4	(⁰)	(⁰)	1	(⁰)	-	(⁰)	1	(⁰)	(⁰)	(⁰)	-	2
Percent varies by service	(⁰)	(⁰)	-	-	-	-	-	-	-	-	(⁰)	-	-	(⁰)
Percent varies during disability ..	3	(⁰)	-	-	(⁰)	(⁰)	-	-	(⁰)	-	-	-	-	3

See footnotes at end of table.

Table 32. Long-term disability insurance: Percent of full-time participants with benefits based on percent of earnings formula by maximum monthly benefit, medium and large private establishments, 1991—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		Other maximum ²
Clerical and sales														
Total	100	66	3	1	1	4	1	5	21	9	15	5	(³)	34
Fixed percent of earnings	91	61	3	1	1	4	1	5	19	8	14	4	(³)	30
Less than 50 percent	3	2	(³)	-	-	(³)	-	1	-	(³)	(³)	(³)	-	1
50 percent	21	9	1	(³)	1	(³)	-	1	4	(³)	1	1	-	13
55 percent	(³)	(³)	-	-	-	(³)	-	-	-	-	-	-	-	-
60 percent	49	38	1	(³)	(³)	3	1	2	11	5	11	3	(³)	11
65 or 67 percent	13	10	1	(³)	-	1	(³)	2	3	2	2	(³)	-	3
70 percent	4	2	-	(³)	-	-	-	-	(³)	1	(³)	(³)	-	2
More than 70 percent	1	(³)	-	-	(³)	-	-	-	-	-	(³)	-	-	(³)
Percent varies by earnings	7	5	(³)	(³)	(³)	(³)	-	-	2	1	1	1	-	3
Percent varies by service	(³)	(³)	-	-	-	-	-	-	-	-	(³)	-	-	(³)
Percent varies during disability ..	2	(³)	-	-	-	(³)	-	-	-	-	-	-	-	2
Production and service														
Total	100	61	5	4	1	7	(³)	5	18	6	13	3	(³)	39
Fixed percent of earnings	93	59	5	4	(³)	7	(³)	5	17	6	12	3	(³)	34
Less than 50 percent	2	1	(³)	1	-	(³)	-	(³)	-	(³)	(³)	(³)	-	1
50 percent	26	8	1	1	(³)	(³)	-	1	2	(³)	1	1	-	18
55 percent	(³)	(³)	-	-	-	(³)	-	(³)	-	-	-	-	-	-
60 percent	53	38	4	2	(³)	5	(³)	2	10	5	8	2	(³)	15
65 or 67 percent	8	8	(³)	(³)	(³)	1	(³)	1	4	1	1	(³)	-	1
70 percent	3	2	-	(³)	-	-	-	-	(³)	(³)	1	(³)	-	(³)
More than 70 percent	(³)	(³)	-	-	-	-	-	-	-	-	(³)	-	-	(³)
Other percent	(³)	(³)	(³)	-	-	(³)	-	-	-	-	-	-	-	-
Percent varies by earnings	5	3	(³)	(³)	-	-	-	-	1	(³)	1	(³)	-	2
Percent varies by service	1	(³)	-	-	-	-	-	-	-	-	(³)	-	-	(³)
Percent varies during disability ..	2	(³)	-	-	(³)	(³)	-	-	-	-	-	-	-	1

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 Includes maximums that vary with 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 33. Long-term disability insurance: Percent of full-time participants with maximum disability income provisions¹ by type and amount of maximum, medium and large private establishments, 1991

Disability income maximum	All participants	Professional, technical, and related participants	Clerical and sales participants	Production and service participants
Total	100	100	100	100
Fixed percent of employee's earnings	83	81	83	86
Less than 70 percent	9	12	9	4
70 percent	27	27	25	28
75 percent	25	18	25	35
80 percent	5	7	7	1
More than 80 percent	17	18	17	18
Other ²	1	(³)	1	1
Not determinable	16	19	16	13

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

² Includes maximum benefits specified as a dollar amount.

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 35. Long-term disability insurance: Percent of full-time participants by duration of benefits, medium and large private establishments, 1991

Duration	All participants	Professional, technical, and related participants	Clerical and sales participants	Production and service participants
Total	100	100	100	100
For life	3	3	2	2
To retirement age	14	14	15	11
Varies by age when disability occurs ¹	73	71	73	76
One-time reduction	15	13	11	24
Gradual reduction	57	58	62	52
Varies by type of disability ²	1	1	(³)	1
Other ⁴	2	1	1	4
Provision not determinable	8	10	8	6

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 Less than 0.5 percent.

⁴ Includes durations that vary by length of service.

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

Table 34. Long-term disability insurance: Percent of full-time participants by benefit waiting period,¹ medium and large private establishments, 1991

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	4	4	7	1
3 months	13	14	17	9
4-5 months	3	4	3	3
6 months	50	55	50	45
7-11 months	1	1	(²)	1
1 year or more	6	7	5	6
Varies by service ³	19	12	16	31
Other	(²)	(²)	(²)	(²)
Not determinable	3	3	3	4

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

² Less than 0.5 percent.

³ 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 36. Long-term disability insurance: Percent of full-time participants by length-of-service requirement for participation,¹ medium and large private establishments, 1991

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	61	55	60	68
1 month	7	7	9	6
2 months	3	2	2	3
3 months	12	12	13	11
4-5 months	4	2	1	8
6 months	17	11	17	25
7-11 months	(²)	(²)	(²)	(²)
1 year	12	13	12	12
Over 1 year and under 2 years ...	(²)	(²)	(²)	-
2 years	1	1	2	1
3 years	1	1	1	1
Over 3 years	3	4	3	3
Without service requirement	29	32	29	24
Service requirement not determinable	10	12	11	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 37. Long-term disability insurance: Percent of full-time participants by provision for survivor benefits, medium and large private establishments, 1991

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	22	25	24	16
Lump sum payment	17	20	19	12
Percent of monthly benefit ¹	5	5	5	4
Other benefit ²	(³)	(³)	(³)	(³)
No survivor benefits	71	66	70	78
Benefit not determinable	7	9	6	6

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

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

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 38. Long-term disability insurance: Percent of full-time participants by coverage for mental illness, medium and large private establishments, 1991

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	85	82	84	89
Without limits	50	43	45	65
Benefits limited	35	40	38	25
No coverage for mental illness	3	3	3	1
Coverage not determinable	13	14	14	9

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

Medical care benefits were provided to 83 percent of full-time employees in medium and large private establishments in 1991. Among those workers with medical care insurance:

- Just over one-half had to pay a plan premium for individual coverage; approximately two-thirds paid part of the cost for family coverage;
- One-third were covered by nontraditional medical care plans, that is, health maintenance organizations (HMO's) or preferred provider organizations (PPO's);
- Virtually all participants in traditional fee-for-service plans were subject to an annual deductible; the average annual deductible was \$198;
- Slightly over four-fifths of participants in fee-for-service plans had an annual limit on individual out-of-pocket expenses; the average limit was \$1,170;
- Mental health coverage, and alcohol and drug abuse treatment, though available to nearly all participants, have more restrictive provisions than other ailments;
- Nearly two-thirds of workers covered by fee-for-service plans were required to get preadmission certification before entering the hospital.

Coverage of selected categories of medical care

All of the participants in medical care plans had coverage for hospital room and board. With few exceptions, coverage was provided for physicians' visits in the hospital, surgery, x-ray and laboratory services, physicians' office visits, mental health conditions, and out-of-hospital prescription drugs (table 39). 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 (24 percent of participants), routine physical exams (30 percent), well-baby care (36 percent), and immunizations and inoculations (30 percent).

Funding arrangements

In 1991, two-thirds of full-time medical plan participants in medium and large private establishments were covered by a fee-for-service medical plan (table 40). These plans pay for specific medical procedures as expenses are incurred. There are generally three arrangements for financing plan benefits: Self-insured plans, commercially insured plans, and Blue Cross/Blue Shield plans. Self-insured plans (in which the plan sponsor—typically the employer—bore the financial risk for making plan payments) covered one-half of fee-for-service participants. Commercially insured plans covered one-fourth of the fee-for-service participants, and Blue Cross/Blue Shield plans covered just under one-fifth of the participants. In addition, a small proportion of fee-for-service participants had their benefits financed by more than one source.

In 1991, preferred provider organizations (PPO's) covered 16 percent of medical care participants in medium and large private establishments. 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.

Seventeen 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 In this survey HMO's are classified as either group/staff, with services provided in central facilities, or as individual practice associations (IPA's), with providers working from their own offices. The following tabulation shows the percent of HMO participants by type of plan in 1991:

<i>Plan type</i>	<i>Percent of participants</i>
Group/staff	49
Individual practice association	43
Combination	8

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.

An alternative method of categorizing medical care plans is to determine whether or not participants have a "point-of-service" option. In such plans, participants can use care providers within or outside a given network, although reimbursement of expenses is less if participants do not use network providers. In 1991, 17 percent of medical care participants were in "point-of-service" plans; this included all workers in PPO's and a few workers in HMO's that have an open enrollment option. Such an option allows patients to receive services from a non-HMO provider (at a lower reimbursement), and was available to 4 percent of HMO participants.

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 39).

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, the plan bears all expenses up to the usual, reasonable, and customary charges, or the prevailing hospital semiprivate rate.

Separate limitations restrict the level of coverage for particular medical services, 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 the following: 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 usually 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. (PPO's also set overall limits, but may alter or reduce those limits if services are received from designated providers.) The most common 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 one-half of all participants in plans with hospital room and board benefits had coverage subject to overall limitations only. 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.

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.

The last decade has seen a greater emphasis on cost-sharing in medical care plans, that is, it has become more likely for employees to pay a portion of medical expenses before any benefits are paid. Consequently, first-dollar coverage (in which the plan pays for benefits up to a certain amount before the employee must share in the cost) has become less prevalent. This emphasis on cost-sharing in medical plans results at least partly from the rapidly growing cost of medical care over the last 10 years. Between 1982 and 1991, the index of all medical care expenses rose 91.4 percent, as measured by the BLS Consumer Price Index for All Consumers (CPI-U). During the same period, the CPI for all items rose 41.1 percent.

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 1991, 84 percent of full-time participants were in plans with overall limits (tables 41-45). Nine-tenths of the participants in plans with overall limits had coverage subject to an annual flat-dollar deductible. Of these participants, however, slightly less than one-fifth were in plans in which the deductible did not apply to hospital room and board expenses.

The most prevalent individual annual deductible was \$100, accounting for just over one-fourth of the participants subject to overall limits. Deductibles of \$150 and \$200 were the next most common ones. The average annual deductible in 1991 was \$198 for all workers. The amount of the average deductible varied among occupational groups. It was highest (\$210) for professional, technical, and related participants and lowest (\$189) for production and service participants.

When a medical care plan covered an employee and family, a family deductible was often specified in addition to individual deductibles. After meeting the family deductible, no additional individual deductibles apply during that year. Four out of 5 participants with overall limitations were in plans that specified limits on the number of

persons in the family required to satisfy an annual deductible before payments began. Most commonly, family deductibles were equal to two or three times the individual deductibles.

Once the deductible has been met, a plan almost always pays a specified percentage of covered medical expenses, with the employee paying the remainder (coinsurance). Plans paying 80 percent of expenses were most prevalent (covering 74 percent of workers with overall limitations); plans paying 90 percent accounted for 11 percent of such workers. One out of 10 participants were in plans for which the coinsurance rate was different for hospital room and board expenses than for other expenses. In such cases, the plan usually paid a higher percent of hospital expenses, often 100 percent.

Participants in plans paying 90 or 100 percent of covered charges include many workers covered under a PPO. In such plans, if the employee uses the PPO provider, the plan will pay for 90 percent of covered charges; if, however, the employee chooses another provider, the plan would pay a reduced amount, such as 80 percent. In addition, enrollees in PPO's using designated providers may not be required to pay a yearly deductible, but those who go outside of the PPO network would be subject to a deductible.

Eighty-five percent of full-time participants in plans with overall limitations had their coinsurance increase to 100 percent after they paid out a specified dollar amount for covered expenses (maximum out-of-pocket expense). Slightly more than one-half of participants in plans with overall limits had an annual individual out-of-pocket expense maximum of \$1000 or less. Maximum out-of-pocket ceilings were also specified for family expenses in plans covering just under half of participants with overall limitations. The annual maximum for out-of-pocket expenses for plan participants averaged \$1,170 for an individual and \$2,326 for a family.

Plans that both required an annual deductible and placed a maximum on out-of-pocket expenses covered three-fourths of the participants subject to overall limitations. The sum of these two items equals the total that the plan requires an individual to pay for covered medical expenses in a calendar year. In 1991, the annual deductible plus the annual out-of-pocket expense maximum averaged \$1,388 per individual.¹³

Plans with overall limitations often place a ceiling on the amount payable by the plan, usually a lifetime maximum. In 1991, seven-tenths of the participants in plans with overall limitations had a lifetime maximum apply to their benefits. A maximum of \$1 million applied to the majority of these participants. A small proportion of participants

were in plans with a lifetime maximum of greater than \$1 million; the average of all maximums was \$814,160. Occupational groups varied significantly in the amount of their average lifetime maximums. Clerical and sales participants had the highest average lifetime maximum (\$872,254), and production and service workers had the lowest average maximum (\$758,009). 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 46). Nearly one-half of full-time participants were in plans that covered hospital room and board expenses at a percentage of the semiprivate room rate, frequently 80 percent. In these types of plans, the individual was typically subject to a yearly deductible before the percentage rate would go into effect. One-fifth 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.

Twenty-three percent of participants with hospital room and board coverage were in plans that reimbursed expenses at the full semiprivate room rate for an unlimited number of days without being subject to either a separate deductible or separate dollar maximum. HMO's commonly provided such full service hospital benefits.

Significant differences in hospital room and board coverage were evident by type of medical care provider. Although just over three-fourths of HMO participants had hospital room and board covered in full without any limitations, full coverage was virtually nonexistent for hospitalization in non-HMO's. When there was a limit on room and board in HMO's, it was almost always a copayment per admission, usually between \$50 and \$200. (See chart 1.)

Variations in coverage by type of medical care provider for hospital stays, as well as other categories of care, can affect the enrollees' out-of-pocket expenses. Non-HMO plan participants generally paid a higher percentage of total health care expenses than HMO participants.¹⁴

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 39). Coverage patterns typically differed between HMO and non-HMO participants. (See chart 2.)

Coverage for stays in an extended care facility was available to four-fifths of full-time participants. Extended care

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.

¹⁴ For more information on out-of-pocket expenses for medical services, see Allan P. Blostin, Robert B. Grant, and William J. Wiatrowski, "Employee Payments for Health Care Services," *Monthly Labor Review*, November 1992, pp. 17-32.

Chart 1. Medical care benefits: Percent of HMO and non-HMO participants by coverage for hospital room and board charges, medium and large private establishments, 1991

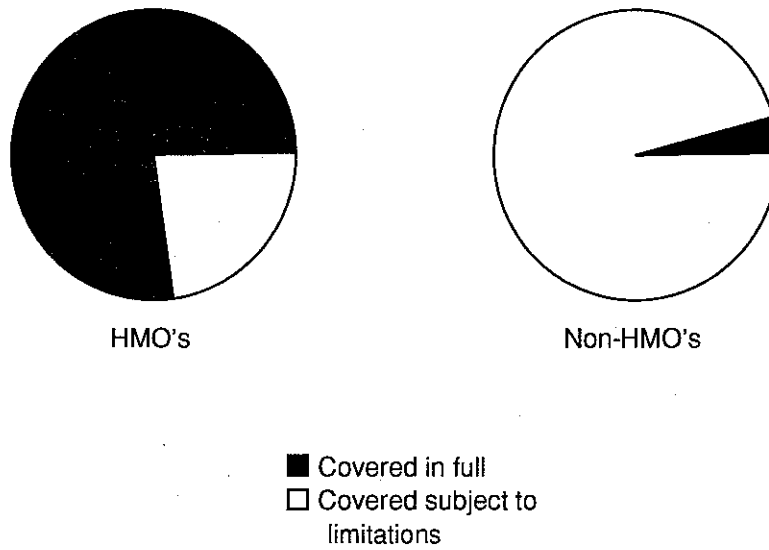
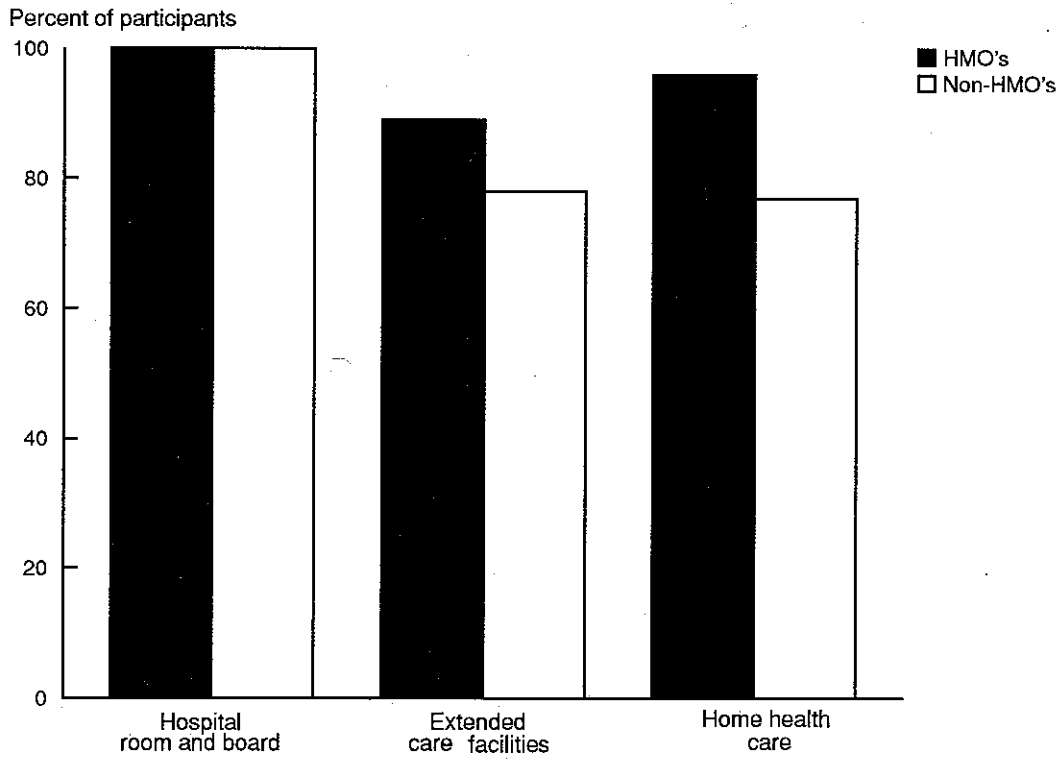


Chart 2. Medical care benefits: HMO and non-HMO participants with coverage for selected services, medium and large private establishments, 1991



facilities provide skilled nursing care, rehabilitation, and convalescent services to patients requiring less intensive treatment than that provided in a hospital. Nine-tenths of HMO participants had coverage for stays in an extended care facility; one-fourth were in plans that provided unlimited coverage. In contrast, nearly 8 of 10 non-HMO participants were in plans that provided coverage for extended care benefits; very few participants were in plans that had full coverage.

Home health care—providing skilled nursing and related care to patients in their own homes—was available to 81 percent of participants. Home health care benefits were provided to virtually all HMO participants (96 percent); these benefits were furnished less extensively to non-HMO participants (77 percent). The higher incidence of coverage for home health care benefits in HMO's relates to the fact that Federally qualified HMO's must provide this benefit. The vast majority of HMO participants in the survey belong to Federally qualified plans. When home health care benefits were provided in HMO's, coverage was typically unlimited. Unlimited coverage was quite rare in non-HMO's.

Plans, especially non-HMO's, 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, and home health care services are frequently restricted to 100 visits per year.

Coverage for another alternative to hospitalization, hospice care, was provided to just over 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.¹⁵

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 specific procedure performed.¹⁶ 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. Forty-one percent of participants were covered at 80 percent of the UCR charges. Twenty-nine percent of participants were covered for the full UCR charges (tables 47-48).

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.

Three-fourths of participants were in plans that covered outpatient surgery the same way as in-hospital surgery, whether in full, a percent of UCR charges, or subject to a schedule of maximum payments. For HMO enrollees, both inpatient and outpatient surgery were almost always covered in full.

With the steady rise in costs of medical care, health care insurers are encouraging enrollees to substitute less expensive outpatient services, such as outpatient surgery, for inpatient hospital services. To encourage the use of outpatient surgery, non-HMO health care providers have increasingly begun to provide higher reimbursement rates over those provided for inpatient surgery.¹⁷ Three-tenths of participants in non-HMO's had coverage for outpatient surgery treated differently (generally with a higher reimbursement) than for inpatient surgery.

Sixty-two percent of all enrollees in plans with surgical benefits had to satisfy a deductible for in-hospital procedures. When outpatient surgery was needed, however, 45 percent of these participants had a deductible requirement. Generally, when deductibles do not apply for in-hospital surgery, they do not apply for outpatient procedures either.

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 when complications from pregnancy developed.

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. These programs help make sure that the services rendered are medically necessary and provided in the most appropriate health care setting. The programs were developed at least partly in response to the rapid rise in medical care costs during the 1980's.

Ninety-three percent of medical care participants had some "managed care" provision available to them (table 49). This includes all participants in HMO's and PPO's, in which the plans manage care by directing patients to specific providers or services. In addition, 59 percent of the fee-for-service participants were in plans with at least one managed care feature, such as hospital preadmission certification, preadmission testing, and second surgical opinion.

¹⁷ For more information on incentives for outpatient surgery see Robert B. Grant, "Outpatient Surgery: Helping to Contain Health Care Costs," *Monthly Labor Review*, November 1992, pp. 33-36.

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

¹⁶ 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.

Some advanced managed care programs can consist of four or more features such as the following: Preadmission review of all hospital admissions for nonemergency or nonmaternity care, concurrent review to monitor care while hospitalized, discharge planning to coordinate a continued course of treatment in more appropriate health care settings, and mandatory second surgical opinions for selected procedures.

Among the features studied in 1991, about one-third of fee-for-service participants and preferred provider organizations each had their care subject to utilization review (table 50). This 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 approximately three-fifths of the fee-for-service participants and two-fifths 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 preadmission certification. Sixty-three percent of the fee-for-service participants had to get authorization before being admitted to a hospital (except in cases of emergency), compared to 68 percent of participants in preferred provider organizations. Less prevalent 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 often between \$50 and \$200 per hospital admission. In 1991, 15 percent of HMO participants in medium and large private establishments had a separate hospital admission deductible.

In fee-for-service plans, second surgical opinion provisions applied to seven-tenths of participants with inpatient surgical benefits (table 51). Three-fifths of these plan enrollees were assessed penalties for not obtaining second opinions, generally applying only to selected procedures. The most common penalty was to reduce the coinsurance rate if a patient did not seek a second opinion.

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

Prescription drug benefits

Virtually all participants had medical plans that covered outpatient prescription drugs (table 39). Inpatient prescription drugs are always covered under hospital miscellaneous services, generally in the same fashion as room and board charges. Outpatient prescription drugs are al-

ways covered under a separate provision of the medical plan.

Coverage for outpatient prescription drugs differed by type of medical plan. Usually, in non-HMO plans, outpatient prescription drugs were covered under overall limitations only; that is, before any benefits were provided, the participant had to meet a yearly deductible or a coinsurance requirement. However, in HMO's, prescriptions were usually subject to a minimal copayment, commonly \$3 or \$5 per prescription.

HMO participants are somewhat more likely than their non-HMO counterparts to have prescription drug coverage in full. However, the HMO participants are also more likely not to have prescription drug coverage at all. Seven percent of participants in HMO's had full coverage for prescription drugs; only 2 percent of non-HMO participants had full coverage. Twelve percent of HMO participants were not covered for prescription drug benefits at all, compared with 2 percent of non-HMO participants.

Pharmacies can often fill a prescription using either a brand name drug or a generic drug. Fourteen percent of the fee-for-service participants received higher reimbursement for obtaining generic rather than brand name prescription drugs, when generic drugs are available (table 50). Generic drugs cost less than brand name drugs.

Mail order drug programs were available to 16 percent of fee-for-service participants. These programs supplied drugs for maintenance purposes, that is, drugs required on a continuous basis. In such arrangements, participants often receive a higher reimbursement or pay less for mail order drugs than for drugs purchased directly from a pharmacy.¹⁸

Mental health coverage

Mental health coverage, though available to nearly all participants, was frequently subject to more restrictive limitations than other illnesses (table 52). Of the medical care participants with mental health benefits, eight-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)¹⁹ and frequently imposed a separate, lower dollar maximum on covered hospital expenses (such as a lifetime maximum of \$50,000 on all mental health benefits).

Even more restrictive was coverage for mental health care outside the hospital (psychiatric office visits). Nearly

¹⁸ For a more comprehensive discussion on prescription drug coverage, see Cathy Baker and Natalie Kramer, "Employer-Sponsored Prescription Drug Benefits," *Monthly Labor Review*, February 1991, pp. 31-35.

¹⁹ In some plans, a limited number of days of mental health care in the hospital were covered at the full semiprivate rate. After these limits were reached, mental health care was then subject to overall plan limits such as deductibles and coinsurances.

all participants with mental health care coverage were subject to special limits for outpatient care in 1991. Outpatient mental health care was commonly covered for fewer visits per year than other outpatient services, and it was subject to special maximum dollar limits on annual payments. Plans also frequently covered such care at a coinsurance rate of 50 percent rather than the usual 80 percent paid by plans for other illnesses. In addition, expenses for outpatient mental health care often could not be used to meet the employee's maximum out-of-pocket expense limitation. Reimbursement for these expenses thus did not increase to 100 percent even when the out-of-pocket expense limitation was met.²⁰

Alcohol and drug abuse treatment

Alcohol and drug abuse treatment benefits covered nearly all full-time medical participants (tables 53-55). Nine out of 10 participants with alcohol benefits had their coverage treated the same as those for drug abuse treatment. Benefits provided under substance abuse care included both detoxification and rehabilitation. Detoxification involves supervised care by medical personnel designed to reduce or eliminate the symptoms of chemical dependency. Rehabilitation provides a variety of services intended to alter the behavior of substance abusers. Such services are generally provided once a person has completed detoxification.

Virtually all participants covered by alcohol abuse treatment benefits were eligible for inpatient (in-hospital) detoxification, and four-fifths received inpatient rehabilitation coverage. Detoxification is considered medically necessary, and thus nearly all medical plans include it. 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 four-fifths 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.²¹ Participants were more likely to have inpatient detoxification treated the same as any other inpatient confinement than to have inpatient rehabilitation covered the same as any other illness. Seven percent of the participants with alcoholism treatment coverage had outpatient care treated the same as that for other conditions.

Limitations for substance abuse treatment most commonly included restrictions on the number of days of inpa-

tient hospital care per year, the number of outpatient visits per year, reduced coinsurance levels for outpatient treatment, ceilings on out-of-pocket limits not applying to outpatient care, and maximum dollar amounts per year or per lifetime. A typical limit on inpatient care was 30 days per year. Similarly, outpatient care might be restricted to 20 or 30 visits per year at a coinsurance rate of 50 percent. 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.²² For example, plans often limit coverage to 30 days per year and to \$50,000 per lifetime for both alcohol and drug abuse treatment.

Health maintenance organizations (HMO's)

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 HMO's—physicians' office visits, out-of-hospital prescription drugs, and extended care facilities. For physicians' office visits, two-thirds of HMO participants were required to pay a copayment, typically \$5 or greater per visit, before treatment was received (table 56). 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 available to 88 percent of HMO participants, and 74 percent had a copayment for each prescription, commonly either \$3 or \$5. In addition, 12 percent of the HMO participants had to make a copayment of greater than \$5 per prescription.

Finally, extended care treatment facility benefits were provided to 89 percent of HMO participants. Most commonly, the number of days of coverage was limited; typical limits were 60 days per confinement.

Other medical benefits

The 1991 survey measured the incidence of several other services provided through medical care plans (table 57). For example, 30 percent of medical care participants were in plans that covered at least some of the costs for routine physical examinations, and 36 percent had coverage for well-baby care. HMO's nearly always included coverage for hearing care, physical examinations, well-baby care, and immunizations and inoculations. HMO's must include these benefits to qualify under the Health Maintenance Organization Act of 1973, as amended.²³

²⁰ A detailed examination of mental health care provisions in employer-provided health care plans is provided by Allan P. Blostin in "Mental Health Benefits Financed By Employers," *Monthly Labor Review*, July 1987, pp. 23-27.

²¹ The designation of substance abuse coverage as more restrictive than that for other illnesses results from a comparison of types of coverage. For instance, if a plan limits inpatient substance abuse care to 30 days per year but the limit on inpatient care of any other illness exceeds 30 days per year, that plan contains separate, more restrictive, limits.

²² 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. In addition, see *Substance Abuse Provisions in Employee Benefit Plans*, Bulletin 2412 (Bureau of Labor Statistics, August 1992).

²³ 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.

Employee contributions

Just over one-half of full-time participants had to pay part of the cost for their individual medical coverage in 1991. Approximately two-thirds of participants shared in the cost for family coverage (tables 58-60). Blue-collar workers were more likely to have both individual and family coverage fully financed by the employer than were white-collar workers. Fifty-five percent of blue-collar workers had individual coverage totally employer paid, and 37 percent were not required to pay any of the cost for family coverage, compared to 44 percent and 26 percent, respectively, for white-collar workers.

Data on the amount that employees contributed for medical benefits occasionally were not available because a single payroll deduction applied to both medical care and one or more other benefits. When the amount was reported, employee premiums for individual and family coverage averaged \$27 and \$97 a month, respectively.

Employee medical care premiums showed some variation by type of plan. Three-fifths of full-time participants in HMO's were required to contribute for single coverage, and just over three-fourths for family coverage. This compared to just over one-half and two-thirds contributing, 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 \$27 per month higher than in non-HMO's.

Of employees required to contribute toward the cost of their medical care coverage in 1991, about one-third could do so with pretax dollars. These employees had the advantage of reducing their taxable income when purchasing medical coverage. Pretax contributions may be required or optional, and they may be offered as part of a flexible benefits arrangement.

Participation requirements

Medical care plans typically required new employees to serve only a short eligibility period, if any, before coverage began (table 61). 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-fifth 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 lim-

ited.²⁴ The survey of medium and large private establishments focused on coverage for retired employees that was financed wholly or partly by the employer (tables 62-63).

Of the medical care participants in the survey, 45 percent worked for employers who financed, at least in part, medical care protection after retirement. The vast majority of workers were in plans that provided postretirement coverage regardless of their age. Plans commonly imposed an eligibility requirement for retiree medical coverage; this requirement was usually either a certain 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 benefit levels did not change apart from coordination with Medicare.

Finally, it was more likely for the coverage to be partly paid by the retiree than to be wholly employer financed. This was somewhat more true for retirees under age 65.

Dental Care

Dental care benefits were available to three-fifths of full-time employees in medium and large private establishments in 1991 (tables 64-69). Dental care may be offered as a part of a comprehensive medical and dental plan, or as a separate plan in addition to medical coverage. Often, employers offer a series of medical plans from which employees may choose, as well as a separate dental plan that can accompany any medical plan. Of the participants in dental plans:

- The overwhelming majority were reimbursed by a percent of the usual, customary, and reasonable charge for all dental procedures;
- Two-fifths had to contribute toward the cost of their individual coverage, and nearly three-fifths were required to contribute toward family coverage;
- Nearly two-thirds were in plans that specified a deductible amount participants must pay before the plan paid any benefits;
- Nearly 7 out of 8 were covered by plans that limited the amount of payment each year by specifying an annual maximum benefit.

When a single plan includes dental benefits together with medical care benefits, it was not possible to distinguish which portion of the employee's contribution, if

²⁴ 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.

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 \$10 per month for individual coverage and under \$20 per month for family coverage.

Nine-tenths 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 (table 40). 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.

Dental plans cover preventive and restorative services almost universally, and seven-tenths of participants were in plans that also covered orthodontic expenses, at least for children. Preventive care typically includes dental examinations, prophylaxis (cleaning), and x rays. Restorative procedures include fillings, periodontal care, endodontic care, prosthetics, and crowns.²⁵

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

Less than 1 out of 5 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 the plan will pay to the participant or the dentist. Orthodontic care was rarely subject to this type of schedule.

Incentive schedules were seldom found in the survey. Under this arrangement, the percent of dental expenses paid by the plan increases each year if the participant regularly gets examinations 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, though higher copayments often applied to major dental services.

Sixty-four percent 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 per year. However, a few plans re-

quired the participant to pay a one-time deductible (usually \$50) rather than a yearly deductible.

Plans that limited the amount of payment each year by specifying an annual maximum benefit covered 85 percent of dental plan participants. The most common limit was \$1,000 per year; the average annual maximum was \$1,168. Among participants in plans with orthodontic services, 83 percent had orthodontic benefits subject to a separate lifetime maximum. These maximums commonly ranged between \$1,000 and \$1,500. In 1991, the average lifetime orthodontic maximum was \$1,096.²⁶

Preauthorization clauses require participants to obtain authorization from the plan before undergoing expensive treatment. Two-thirds of dental participants were in plans that used this cost containment technique. Commonly, procedures costing \$200 or more were subject to advance authorization.²⁷

Finally, a small percentage of participants were covered by plans with only preventive dental care, which includes dental examinations, prophylaxis (cleaning), and x rays (table 57). These participants almost always had their benefits provided under HMO's.

Vision Care

In 1991, vision care coverage was available to 23 percent of full-time employees in medium and large private establishments.²⁸ Eighty-one percent of participants covered by vision care provisions received benefits through a fee-for-service plan; 11 percent were provided benefits through an HMO; and the remainder through a PPO (table 40).

All participants eligible for vision benefits had coverage for eyeglasses (table 70). With few exceptions, these participants were also covered for eye examinations. Seven out of 8 vision care participants had coverage for contact lenses.

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

²⁶ 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.

²⁷ 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 appear in table 57.

²⁸ To count as having vision care coverage, a plan must cover eyewear (eyeglasses and/or contact lenses). If a plan provided only eye examinations, for tabulation purposes, the plan was not considered as providing vision care coverage. In 1989, the most recent survey of medium and large establishments, plans that had only coverage for eye examinations were considered as providing vision care. In that year, 33 percent of full-time employees were provided vision care coverage.

²⁵ 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.

Nineteen percent of the vision care participants had eye examinations paid in full. Eyeglasses were fully covered for 11 percent of the participants, and contact lenses were rarely covered in full.

Finally, 14 percent of the medical participants were covered for eye examinations only (table 57). This coverage

did not form part of a regular vision care plan. Such limited benefits covered two-thirds of all participants enrolled in an HMO.²⁹

²⁹ 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 39. Medical care benefits: Percent of full-time participants by coverage for selected categories of care, medium and large private establishments, 1991

Category of medical care	Total	Care provided					Care not provided
		All	Covered in full	Subject to internal limits only ¹	Subject to overall limits only ²	Subject to internal and overall limits	
All participants							
Hospital room and board	100	100	17	4	46	34	-
Hospitalization—miscellaneous services ³	100	100	17	4	46	33	-
Extended care facility ⁴	100	80	6	18	13	43	20
Home health care ⁴	100	81	18	11	16	36	19
Hospice	100	55	10	9	15	21	45
Surgery							
Inpatient	100	100	29	(⁵)	60	11	(⁵)
Outpatient ⁶	100	100	35	1	55	9	(⁵)
Physician visits							
In hospital	100	100	21	1	62	17	(⁵)
Office	100	98	6	14	69	9	2
Diagnostic X-ray and laboratory	100	100	28	(⁵)	60	13	(⁵)
Prescription drugs—nonhospital	100	96	3	30	58	5	4
Mental health care							
In hospital	100	98	2	19	11	65	2
Outpatient	100	97	(⁵)	22	2	73	3
Alcohol abuse treatment							
Inpatient detoxification ⁷	100	97	8	20	12	58	3
Inpatient rehabilitation ⁸	100	77	2	20	4	51	23
Outpatient rehabilitation ⁸	100	77	1	20	5	51	23
Drug abuse treatment							
Inpatient detoxification ⁷	100	96	8	19	11	58	4
Inpatient rehabilitation ⁸	100	76	2	20	3	51	24
Outpatient rehabilitation ⁸	100	75	1	19	4	51	25
Professional, technical, and related							
Hospital room and board	100	100	19	4	47	31	-
Hospitalization—miscellaneous services ³	100	100	19	4	47	31	-
Extended care facility ⁴	100	82	7	18	12	45	18
Home health care ⁴	100	84	19	14	13	38	16
Hospice	100	56	11	10	15	21	44
Surgery							
Inpatient	100	100	32	(⁵)	59	9	(⁵)
Outpatient ⁶	100	100	37	(⁵)	55	7	(⁵)
Physician visits							
In hospital	100	100	23	1	60	16	(⁵)
Office	100	99	7	15	69	9	1
Diagnostic X-ray and laboratory	100	100	28	(⁵)	61	10	(⁵)
Prescription drugs—nonhospital	100	96	3	29	58	6	4
Mental health care							
In hospital	100	98	3	21	13	60	2
Outpatient	100	96	(⁵)	23	2	71	4
Alcohol abuse treatment							
Inpatient detoxification ⁷	100	97	8	20	14	56	3
Inpatient rehabilitation ⁸	100	74	1	21	5	47	26
Outpatient rehabilitation ⁸	100	78	1	23	4	50	22
Drug abuse treatment							
Inpatient detoxification ⁷	100	97	8	19	13	57	3
Inpatient rehabilitation ⁸	100	73	1	20	4	47	27
Outpatient rehabilitation ⁸	100	77	1	22	3	50	23

See footnotes at end of table.

Table 39. Medical care benefits: Percent of full-time participants by coverage for selected categories of care, medium and large private establishments, 1991—Continued

Category of medical care	Total	Care provided					Care not provided
		All	Covered in full	Subject to internal limits only ¹	Subject to overall limits only ²	Subject to internal and overall limits	
Clerical and sales							
Hospital room and board	100	100	18	4	50	27	-
Hospitalization—miscellaneous services ³	100	100	18	4	50	27	-
Extended care facility ⁴	100	81	7	17	12	45	19
Home health care ⁴	100	82	23	9	16	35	18
Hospice	100	56	11	8	15	22	44
Surgery							
Inpatient	100	100	30	(⁵)	62	8	(⁵)
Outpatient ⁶	100	100	38	1	54	7	(⁵)
Physician visits							
In hospital	100	100	23	(⁵)	64	12	(⁵)
Office	100	99	6	17	66	9	1
Diagnostic X-ray and laboratory	100	100	32	(⁵)	60	8	(⁵)
Prescription drugs—nonhospital	100	96	2	33	54	7	4
Mental health care							
In hospital	100	98	2	20	10	66	2
Outpatient	100	97	(⁵)	24	2	70	3
Alcohol abuse treatment							
Inpatient detoxification ⁷	100	98	10	18	12	58	2
Inpatient rehabilitation ⁸	100	78	3	19	5	51	22
Outpatient rehabilitation ⁸	100	78	2	20	5	51	22
Drug abuse treatment							
Inpatient detoxification ⁷	100	97	9	19	11	59	3
Inpatient rehabilitation ⁸	100	76	2	19	4	51	24
Outpatient rehabilitation ⁸	100	77	1	21	4	51	23
Production and service							
Hospital room and board	100	100	14	5	43	38	-
Hospitalization—miscellaneous services ³	100	100	14	5	44	37	-
Extended care facility ⁴	100	78	6	18	13	41	22
Home health care ⁴	100	78	14	11	17	35	22
Hospice	100	53	9	8	15	21	47
Surgery							
Inpatient	100	100	27	1	59	14	(⁵)
Outpatient ⁶	100	100	33	1	55	11	(⁵)
Physician visits							
In hospital	100	100	18	(⁵)	61	20	(⁵)
Office	100	97	5	12	71	9	3
Diagnostic X-ray and laboratory	100	100	25	(⁵)	58	16	(⁵)
Prescription drugs—nonhospital	100	96	3	28	60	4	4
Mental health care							
In hospital	100	98	2	17	11	68	2
Outpatient	100	97	(⁵)	20	3	75	3
Alcohol abuse treatment							
Inpatient detoxification ⁷	100	97	7	20	11	59	3
Inpatient rehabilitation ⁸	100	79	2	20	4	53	21
Outpatient rehabilitation ⁸	100	76	1	18	5	52	24
Drug abuse treatment							
Inpatient detoxification ⁷	100	95	7	19	10	59	5
Inpatient rehabilitation ⁸	100	77	2	20	3	53	23
Outpatient rehabilitation ⁸	100	73	1	17	4	51	27

¹ 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.

² 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.

³ Services provided during a hospital confinement.

⁴ 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.

⁵ Less than 0.5 percent.

⁶ Charges incurred in the outpatient department of a hospital and outside of the hospital.

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

⁸ 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 40. Health care benefits: Percent of full-time participants by arrangement for payment to providers and type of financial intermediary, medium and large private establishments, 1991

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	67	91	81	62	91	79	59	92	78	73	90	83
No intermediary--self insured ²	33	46	43	28	45	39	29	46	37	39	48	48
Commercial insurance company	17	30	12	16	30	12	15	31	15	19	29	11
Blue Cross-Blue Shield	12	8	5	14	8	6	12	8	8	11	7	4
Independent organization	(³)	1	1	-	(³)	1	(³)	1	1	(³)	1	2
Medical or dental society	-	5	16	-	6	19	-	6	15	-	3	15
Other	1	1	2	1	1	2	1	1	2	1	1	2
Combined	4	1	(³)	4	1	-	3	(³)	-	4	1	(³)
Preferred provider organization ⁴	16	3	7	19	3	7	21	3	9	12	4	7
No intermediary--self insured ²	6	1	3	8	1	2	7	1	2	4	2	4
Commercial insurance company	6	1	(³)	6	1	(³)	9	1	-	3	1	(³)
Blue Cross-Blue Shield	3	(³)	(³)	3	(³)	1	4	(³)	1	3	(³)	(³)
Independent organization	(³)	1	2	1	1	1	1	1	5	(³)	(³)	1
Medical or dental society	-	1	2	-	1	3	-	1	-	(³)	(³)	2
Other	(³)	-	-	-	-	-	-	-	-	(³)	-	-
Combined	1	-	-	1	-	-	(³)	-	-	1	-	-
Prepaid health maintenance organization ⁵	17	6	11	18	6	12	19	5	11	14	6	9
No intermediary--self insured ²	(³)	(³)	(³)	(³)	1	-	(³)	(³)	(³)	(³)	(³)	-
Commercial insurance company	2	2	1	2	2	1	3	3	2	2	2	1
Blue Cross-Blue Shield	2	1	2	2	1	1	2	(³)	2	2	1	2
Independent organization	12	3	7	14	2	8	14	2	7	11	3	7
Medical or dental society	-	(³)	1	-	(³)	1	-	-	(³)	-	(³)	(³)
Other	(³)	(³)	-	-	-	-	-	(³)	-	(³)	(³)	-
Combined	(³)	-	(³)	(³)	-	(³)	(³)	-	(³)	(³)	-	(³)
Other ⁶	(³)	(³)	1	1	(³)	2	(³)	(³)	2	(³)	(³)	1

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 (ASO) contracts.

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 41. Medical care benefits: Percent of full-time participants in plans with overall limitations on benefits by amount of deductible,¹ medium and large private establishments, 1991

Type and amount of deductible ²	All participants	Professional, technical, and related participants	Clerical and sales participants	Production and service participants
Total	100	100	100	100
Deductible specified	91	91	90	91
Deductible on an annual basis ³ ..	91	90	89	91
Based on earnings ⁴	5	6	6	4
Flat dollar amount	86	84	84	88
Less than \$50	(⁵)	(⁵)	(⁵)	(⁵)
\$50	3	2	3	3
\$51-\$99	1	(⁵)	1	2
\$100	27	24	23	31
\$101-\$149	1	1	(⁵)	1
\$150	14	14	15	13
\$151-\$199	(⁵)	(⁵)	(⁵)	(⁵)
\$200	19	21	18	19
\$201-\$249	1	1	1	(⁵)
\$250	7	7	11	6
\$251-\$299	(⁵)	(⁵)	(⁵)	(⁵)
\$300	6	6	4	7
Over \$300	6	7	7	5
Deductible not on an annual basis	(⁵)	1	(⁵)	(⁵)
No deductible	9	9	10	9
Average annual deductible	\$198	\$210	\$203	\$189

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 42. Medical care benefits: Percent of full-time participants in plans with overall limitations on benefits by coinsurance rate, medium and large private establishments, 1991

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	93	93	92	93
Coinsurance rate ²				
80 percent	74	73	73	76
85 percent	3	3	3	4
90 percent	11	12	13	9
Other percent	4	4	3	4
Varies ³	1	1	1	1
Without coinsurance ⁴	7	7	8	7

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 \$1,000, 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 \$5,000 and 90 percent thereafter.

⁴ 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 43. Medical care benefits: Percent of full-time participants in plans with overall limitations on benefits by maximum out-of-pocket expense provisions, medium and large private establishments, 1991

Provision	All participants	Professional, technical, and related participants	Clerical and sales participants	Production and service participants
Total	100	100	100	100
With limit on out-of-pocket expense ..	85	87	88	83
With an annual dollar maximum on out-of-pocket expense ¹	83	85	85	81
Per individual:				
\$1-\$299	1	1	1	1
\$300	1	(²)	(²)	1
\$301-\$399	1	1	1	1
\$400	7	9	7	6
\$401-\$499	1	1	(²)	1
\$500	9	11	9	8
\$501-\$749	4	4	5	5
\$750-\$999	10	9	9	11
\$1000	21	21	24	21
\$1,001-\$1,499	7	9	8	7
\$1,500-\$1,999	9	7	11	10
\$2,000	6	7	7	6
\$2,001 or greater	5	5	5	5
Per family: ³				
\$1-\$499	1	(²)	(²)	1
\$500-\$749	1	1	1	1
\$750-\$999	3	4	2	2
\$1000	3	3	3	3
\$1,001-\$1,249	2	2	2	2
\$1,250-\$1,499	2	1	1	2
\$1500	3	3	4	2
\$1,501-\$1,999	4	4	4	5
\$2000	7	9	8	6
\$2,001-\$2,999	6	5	5	6
\$3000	7	8	11	5
\$3,001 or greater	7	6	9	6
No family maximum	37	39	35	37
Annual maximum on out-of-pocket expenses varies by coinsurance rate ⁴	2	2	3	2
No out-of-pocket expense required ⁵ ..	3	4	4	3
Other ⁶	1	1	1	1
No limit on out-of-pocket expenses ..	11	8	7	14
Average dollar maximum on individual out-of-pocket expense ...	\$1,170	\$1,134	\$1,175	\$1,188
Average dollar maximum on family out-of-pocket expense	2,326	2,356	2,539	2,189

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

⁵ All covered expenses are paid at 100 percent.

⁶ Includes plans where the limit on out-of-pocket expenses varies by the individual participants's earnings.

Table 44. Medical care benefits: Percent of full-time participants in plans with overall limitations on benefits by total annual deductible and maximum out-of-pocket expense, medium and large private establishments, 1991

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	77	79	78	75
\$300-\$499	1	2	(³)	1
\$500	5	4	5	5
\$501-\$599	1	2	1	1
\$600	5	8	4	4
\$601-\$999	9	11	9	9
\$1,000	6	5	5	7
\$1,001-\$1,099	1	(³)	1	1
\$1,100	5	5	4	5
\$1,101-\$1,499	14	14	15	13
\$1,500-\$1,699	9	9	10	8
\$1,700-\$2,099	6	5	6	6
\$2,100 and greater	11	11	11	10
Based on earnings	4	4	5	3
Plan does not specify maximum annual out-of-pocket expense or annual deductible	23	21	22	25

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 45. Medical care benefits: Percent of full-time participants in plans with overall limitations on benefits by maximum benefit provisions, medium and large private establishments, 1991

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	76	74	70	79
Lifetime maximum only	72	71	68	74
Less than \$25,000	(²)	(²)	(²)	(²)
\$25,000	(²)	-	-	(²)
\$25,001-\$49,999	(²)	(²)	(²)	(²)
\$50,000	1	(²)	(²)	1
\$50,001-\$99,999	(²)	(²)	-	(²)
\$100,000	2	(²)	2	3
\$100,001-\$249,999	1	(²)	(²)	1
\$250,000	7	7	6	8
\$250,001-\$499,999	2	1	2	3
\$500,000	11	11	7	14
\$500,001-\$999,999	2	2	3	2
\$1,000,000	43	46	44	40
More than \$1,000,000	2	2	3	2
Annual or disability maximum only	2	2	1	4
Both lifetime and annual or disability maximums	1	1	1	1
Other maximum ³	(²)	-	(²)	(²)
Without maximum limits ⁴	24	26	30	21

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

² Less than 0.5 percent.

³ Maximum applied to a specified length of time in excess of 1 year.

⁴ Participants in these plans were subject to other limitations such as deductibles and coinsurance.

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

Table 46. Medical care benefits: Percent of full-time participants in plans with hospital room and board coverage by type of benefit payments, medium and large private establishments, 1991

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	23	28	24	20
Full semiprivate rate for unlimited days but subject to a separate deductible or separate dollar maximum	3	3	5	3
Full semiprivate rate for limited days	2	2	1	3
Full semiprivate rate for limited period, then percent of semiprivate rate	21	19	17	24
80 percent	19	18	16	22
90 percent	1	1	1	2
Other	1	1	(²)	1
Varies	(²)	-	(²)	(²)
Percent of semiprivate rate	46	44	50	46
80 percent	34	30	36	35
85 percent	2	1	1	2
90 percent	7	8	10	5
Other	3	4	2	3
Varies	(²)	(²)	(²)	(²)
Percent of semiprivate rate for limited period, then subject to another percentage	2	3	1	1
Daily dollar allowance	(²)	-	-	(²)
Daily dollar allowance, plus percent of the full semiprivate rate	2	1	1	3

¹ Includes plans in which expenses were reimbursed for the full semiprivate room rate for an unlimited number of days without either a separate deductible or separate dollar maximum.

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 47. Medical care benefits: Percent of full-time participants in plans with in-hospital surgical benefits by type of payment, medium and large private establishments, 1991

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	29	32	30	27
Full usual, customary, and reasonable charge up to a specified amount, plus percent of additional charges	1	1	1	2
Full usual, customary, and reasonable charge up to a specified amount or subject to a deductible	(²)	(²)	(²)	-
Percent of usual, customary, and reasonable charge:				
80 percent	41	39	42	42
85 percent	2	1	1	2
90 percent	8	9	11	6
95 percent	(²)	-	(²)	(²)
Other percent ³	10	12	9	9
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	6	4	3	9
Other percent	1	(²)	(²)	1
Dollar allowance per procedure	(²)	(²)	(²)	1

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 48. Medical care benefits: Percent of full-time participants in plans with in-hospital surgical benefits by comparison with outpatient surgical coverage, by type of medical care provider, medium and large private establishments, 1991

Outpatient surgery	All participants	Professional, technical, and related participants	Clerical and sales participants	Production and service participants
All plans				
Total	100	100	100	100
Coverage the same as in-hospital surgery	75	78	75	74
Coverage differs from in-hospital surgery coverage	25	22	25	26
Non-health maintenance organizations				
Total	100	100	100	100
Coverage the same as in-hospital surgery	71	74	70	70
Coverage differs from in-hospital surgery coverage	29	26	30	30
Health maintenance organizations				
Total	100	100	100	100
Coverage the same as in-hospital surgery	97	98	96	98
Coverage differs from in-hospital surgery coverage	3	2	4	2

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 by availability of managed care benefits, medium and large private establishments, 1991

Managed care plan	All participants	Professional, technical, and related participants	Clerical and sales participants	Production and service participants
Total	100	100	100	100
With managed care benefits	93	92	93	93
Traditional fee-for-service, with at least one cost containment feature ¹	59	53	52	66
Preferred provider organization ² ..	16	19	21	12
Exclusive provider organization ³ ..	(⁴)	(⁴)	(⁴)	(⁴)
Prepaid health maintenance organization ⁵	17	18	19	15
Without managed care	7	8	7	7

¹ Fee-for-service plans with at least one cost containment feature, including utilization review, pre-admission certification, mandatory second surgical opinion, pre-admission testing, and no or limited reimbursement for nonemergency weekend admission.

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

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

⁴ Less than 0.5 percent.

⁵ A health maintenance organization provides a prescribed set of benefits to enrollees for a fixed payment.

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

Table 50. Medical care benefits: Percent of full-time participants in fee-for-service plans¹ by coverage for selected cost containment features, medium and large private establishments, 1991

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	14	12	17	13
Mail order drugs	16	16	15	16
No or limited reimbursement for nonemergency weekend admission to hospital	19	18	23	18
Separate deductible for hospital admission	10	14	8	10
Incentive for prehospitalization testing	57	56	54	59
Prehospital admission certification requirement	63	60	68	63
Higher rate of payment for delivery at birthing center	28	27	27	29
Incentive to audit hospital statement	8	9	5	9
Care subject to utilization review	32	35	36	30

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 51. Medical care benefits: Percent of full-time participants in fee-for-service plans with inhospital surgical benefits by second surgical opinion provisions, medium and large private establishments, 1991

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	70	69	69	71
Without penalties for non-compliance	27	29	26	26
With penalties for non-compliance	43	40	43	45
For selected procedures ¹	35	31	34	38
No payment without second opinion	3	3	2	3
Reduced coinsurance without second opinion	32	28	32	35
For all procedures	6	7	7	4
Reduced coinsurance without second opinion	(²)	(²)	1	(²)
Schedule of payments lower without second opinion	(²)	(²)	(²)	1
Other lower payments	5	6	5	4
Details of incentive not available	2	2	3	2
Without second surgical opinion provision	30	31	31	29

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

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 52. Medical care benefits: Percent of full-time participants in plans with mental health benefits by extent of benefits, medium and large private establishments, 1991

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	99	98	99	97	98	97	99	98
Covered the same as other illnesses	18	2	18	2	15	2	19	3
Subject to separate limitations ³	81	95	81	95	83	95	80	95
Limit on days	54	35	55	35	57	36	51	35
Per year	45	35	45	33	49	35	42	35
Per confinement	9	1	10	1	8	1	9	(⁴)
Per lifetime	2	(⁴)	2	(⁴)	2	(⁴)	3	(⁴)
Limit on number of treatments	1	(⁴)	(⁴)	(⁴)	(⁴)	(⁴)	1	(⁴)
Limit on dollars	39	68	36	66	44	67	39	70
Per day	1	21	1	21	1	18	1	24
Per year	9	48	8	47	9	47	10	48
Per lifetime	33	32	32	31	38	36	32	30
Per other period	1	(⁴)	1	(⁴)	1	(⁴)	1	1
Coinsurance limit	10	56	9	50	11	54	10	61
50 percent	3	42	2	36	3	41	4	46
Other ⁵	7	14	7	14	8	14	6	14
Ceiling on out-of-pocket expenses does not apply	16	39	15	38	20	40	15	40
Separate copayment or deductible	3	12	3	14	4	15	2	9
Other limitations	1	1	1	(⁴)	1	1	1	2
Without coverage	1	2	1	3	2	3	1	2

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 53. Medical care benefits: Percent of full-time participants in plans with substance abuse benefits by uniformity in coverage, medium and large private establishments, 1991

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	92	93	92	91
Drug abuse treatment covered differently	7	6	7	7
Drug abuse treatment benefits not provided	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 54. Medical care benefits: Percent of full-time participants in plans with alcohol abuse treatment benefits by extent of benefits, medium and large private establishments, 1991

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	100	79	79	100	76	80	100	79	79	100	81	78
Covered the same as other illnesses	31	9	7	33	9	6	31	9	8	29	8	8
Subject to separate limitations ⁴	69	70	72	67	67	74	69	69	71	70	73	71
Limit on days	52	54	37	51	53	39	52	52	35	52	55	37
Per year	31	32	30	33	33	32	33	33	28	28	30	29
Per confinement	15	14	1	14	13	2	14	13	1	18	15	1
Per lifetime	7	10	7	7	10	7	6	8	4	8	10	10
Limit on number of treatments	11	14	7	10	11	5	8	12	5	13	16	8
Limit on dollars	28	27	41	23	22	39	32	32	42	26	27	42
Per day	1	1	10	1	(⁵)	7	1	1	9	1	1	12
Per year	7	7	26	6	6	26	8	8	27	7	7	24
Per lifetime	23	22	24	20	19	23	27	27	26	23	22	23
Per other period	2	2	2	1	1	1	2	2	2	3	3	2
Coinsurance limit ⁶	9	10	27	9	10	26	8	9	29	9	10	26
Ceiling on out-of-pocket expenses does not apply	12	13	23	13	13	23	16	16	25	9	11	22
Separate copayment or deductible	2	3	4	3	3	5	3	3	5	2	3	3
Other limitations	1	1	1	1	1	1	1	1	1	1	1	1
Without coverage	(⁶)	21	21	(⁶)	24	20	(⁶)	21	21	(⁶)	19	22

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

² 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 55. Medical care benefits: Percent of full-time participants in plans with drug abuse treatment benefits by extent of benefits, medium and large private establishments, 1991

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	100	78	77	100	75	79	100	78	78	100	80	76
Covered the same as other illnesses	30	7	6	33	8	6	29	7	7	28	7	6
Subject to separate limitations ⁴	70	71	71	67	67	73	70	71	72	71	74	70
Limit on days	52	54	36	52	53	38	53	53	35	52	55	35
Per year	31	31	28	33	33	31	35	35	28	28	29	26
Per confinement	15	14	1	14	13	2	13	12	1	17	16	1
Per lifetime	7	9	7	7	9	5	6	8	4	7	10	9
Limit on number of treatments	11	14	7	9	11	5	8	12	5	13	16	9
Limit on dollars	29	28	43	24	23	40	33	33	45	29	28	43
Per day	1	1	10	1	(⁵)	7	1	1	10	1	1	12
Per year	7	7	27	6	6	27	8	8	29	8	7	26
Per lifetime	24	23	24	20	20	23	28	28	26	24	23	23
Per other period	2	2	2	1	1	1	2	2	2	3	3	2
Coinsurance limit ⁶	9	10	28	9	10	27	9	10	31	9	10	27
Ceiling on out-of-pocket expenses does not apply	12	13	24	13	13	24	16	16	26	10	11	23
Separate copayment or deductible	3	3	4	3	3	5	3	3	6	2	3	4
Other limitations	(⁵)	(⁵)	1	(⁵)	(⁵)	(⁵)	(⁵)	(⁵)	(⁵)	1	1	1
Without coverage	(⁵)	22	23	(⁵)	25	21	(⁵)	22	22	(⁵)	20	24

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 56. Medical care benefits: Percent of full-time participants in health maintenance organizations by selected plan features, medium and large private establishments, 1991

Item	All participants	Professional, technical, and related participants	Clerical and sales participants	Production and service participants
Extended care facilities				
Total	100	100	100	100
Provided coverage	89	87	90	88
Limited number of days	59	57	64	57
Unlimited number of days	30	30	26	32
Not provided coverage	11	13	10	12
Physician's office visits				
Total	100	100	100	100
Provided coverage	100	100	100	100
Subject to copayment per visit ...	67	64	69	67
\$1 per visit	(¹)	(¹)	(¹)	(¹)
\$2 per visit	7	6	8	7
\$3 per visit	5	7	6	4
\$4 per visit	2	2	3	1
\$5 per visit	32	30	29	36
\$6 - \$9 per visit	1	2	1	(¹)
\$10 per visit	14	14	16	12
More than \$10 per visit	5	3	5	6
Subject to other limits ²	2	1	2	2
Covered in full	31	35	29	30
Outpatient prescription drugs				
Total	100	100	100	100
Provided coverage	88	92	88	87
Subject to a copayment per prescription	74	75	72	75
Less than \$2 per prescription	3	3	3	2
\$2 per prescription	5	6	4	4
\$2.01 - \$2.99 per prescription	2	3	3	2
\$3 per prescription	17	19	14	17
\$3.01 - \$3.99 per prescription	2	1	(¹)	3
\$4 per prescription	4	3	5	5
\$4.01 - \$4.99 per prescription	(¹)	-	(¹)	1
\$5 per prescription	29	31	30	28
More than \$5 per prescription	12	11	13	12
Subject to other limits ²	7	6	9	6
Covered in full	7	10	6	6
Not provided coverage	12	8	12	13

¹ Less than 0.5 percent.

² Includes plans that require participants to pay a percentage of the charges incurred.

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

Table 57. Medical care benefits¹: Percent of full-time participants by type of plan and coverage for selected special benefits, medium and large private establishments, 1991

Benefit item	All plans	Health maintenance organizations	Non-health maintenance organizations
All participants			
Hearing care ²	24	90	10
Routine physical examinations	30	96	16
Well-baby care	36	98	24
Immunization and inoculation	30	96	17
Preventive dental care ³	2	8	(⁴)
Vision examinations only ⁵	14	67	4
Professional, technical, and related			
Hearing care ²	25	91	10
Routine physical examinations	33	98	19
Well-baby care	42	99	29
Immunization and inoculation	35	96	21
Preventive dental care ³	2	11	1
Vision examinations only ⁵	16	66	5
Clerical and sales			
Hearing care ²	22	86	7
Routine physical examinations	34	94	19
Well-baby care	40	95	27
Immunization and inoculation	34	95	20
Preventive dental care ³	3	12	(⁴)
Vision examinations only ⁵	18	70	5
Production and service			
Hearing care ²	24	92	12
Routine physical examinations	25	97	13
Well-baby care	30	99	19
Immunization and inoculation	26	97	14
Preventive dental care ³	1	3	(⁴)
Vision examinations only ⁵	12	65	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 Includes plans that only provide examinations

and X-rays.

⁴ Less than 0.5 percent.

⁵ Includes plans that provide only examinations.

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

Table 58. Medical care benefits: Percent of full-time participants in contributory plans¹ by type and amount of employee contribution, medium and large private establishments, 1991

Type and amount of contribution	All plans		Health maintenance organizations		Non-health maintenance organizations	
	Employee coverage	Family coverage ²	Employee coverage	Family coverage ²	Employee coverage	Family coverage ²
All participants						
Total	100	100	100	100	100	100
Flat monthly amount	73	73	76	76	72	72
Less than \$5.00	2	(³)	2	(³)	2	(³)
\$5.00-\$9.99	8	1	5	1	9	1
\$10.00-\$14.99	9	1	12	1	9	1
\$15.00-\$19.99	8	2	10	(³)	7	2
\$20.00-\$29.99	16	5	20	2	15	6
\$30.00-\$39.99	12	5	10	4	12	5
\$40.00-\$49.99	5	4	5	7	6	4
\$50.00-\$59.99	2	8	4	6	2	8
\$60.00-\$69.99	2	3	4	4	2	3
\$70.00-\$79.99	1	4	1	4	1	4
\$80.00-\$89.99	(³)	4	1	2	(³)	5
\$90.00-\$99.99	(³)	4	-	2	(³)	4
\$100.00-\$124.99	(³)	8	1	10	(³)	7
\$125.00-\$149.99	(³)	6	(³)	7	(³)	6
\$150.00-\$174.99	-	3	-	5	-	3
\$175.00-\$199.99	-	4	-	8	-	4
\$200.00 or greater	(³)	6	-	10	(³)	4
Composite rate ⁴	6	4	2	1	7	4
Amount varies by employee ⁵	15	13	16	14	15	12
Amount varies by earnings	4	3	(³)	1	5	4
Not determinable	9	11	8	9	9	12
Professional, technical, and related						
Total	100	100	100	100	100	100
Flat monthly amount	65	68	73	77	63	66
Less than \$5.00	1	(³)	2	(³)	1	(³)
\$5.00-\$9.99	7	1	6	1	8	1
\$10.00-\$14.99	6	1	6	(³)	6	1
\$15.00-\$19.99	8	1	10	(³)	7	1
\$20.00-\$29.99	17	4	20	4	16	4
\$30.00-\$39.99	14	4	13	4	14	4
\$40.00-\$49.99	5	4	5	6	5	4
\$50.00-\$59.99	2	9	4	5	1	10
\$60.00-\$69.99	1	3	3	3	1	3
\$70.00-\$79.99	1	4	(³)	6	1	4
\$80.00-\$89.99	(³)	5	1	4	(³)	5
\$90.00-\$99.99	(³)	3	-	4	(³)	3
\$100.00-\$124.99	(³)	9	1	10	(³)	9
\$125.00-\$149.99	(³)	6	(³)	6	-	6
\$150.00-\$174.99	-	4	-	7	-	3
\$175.00-\$199.99	-	5	-	9	-	4
\$200.00 or greater	-	4	-	6	-	4
Composite rate ⁴	3	2	1	1	3	2
Amount varies by employee ⁵	20	18	20	16	20	19
Amount varies by earnings	4	3	1	(³)	5	4
Not determinable	11	10	6	7	12	11

See footnotes at end of table.

Table 58. Medical care benefits: Percent of full-time participants in contributory plans¹ by type and amount of employee contribution, medium and large private establishments, 1991—Continued

Type and amount of contribution	All plans		Health maintenance organizations		Non-health maintenance organizations	
	Employee coverage	Family coverage ²	Employee coverage	Family coverage ²	Employee coverage	Family coverage ²
Clerical and sales						
Total	100	100	100	100	100	100
Flat monthly amount	73	73	78	77	72	72
Less than \$5.00	2	(³)	2	1	2	-
\$5.00-\$9.99	6	1	6	1	6	1
\$10.00-\$14.99	8	1	8	1	8	1
\$15.00-\$19.99	9	2	9	(³)	9	2
\$20.00-\$29.99	15	3	22	1	14	3
\$30.00-\$39.99	16	4	7	4	19	4
\$40.00-\$49.99	6	5	5	6	7	4
\$50.00-\$59.99	2	7	5	6	1	7
\$60.00-\$69.99	2	4	3	3	1	4
\$70.00-\$79.99	1	4	3	5	1	3
\$80.00-\$89.99	1	6	3	3	(³)	7
\$90.00-\$99.99	(³)	4	-	2	(³)	4
\$100.00-\$124.99	1	8	1	7	1	8
\$125.00-\$149.99	(³)	7	(³)	10	(³)	6
\$150.00-\$174.99	-	2	-	4	-	2
\$175.00-\$199.99	-	7	-	13	-	5
\$200.00 or greater	(³)	8	-	10	(³)	7
Composite rate ⁴	4	3	3	2	4	3
Amount varies by employee ⁵	15	14	15	16	15	13
Amount varies by earnings	3	3	(³)	(³)	4	3
Not determinable	8	11	7	7	9	11
Production and service						
Total	100	100	100	100	100	100
Flat monthly amount	77	76	78	75	77	76
Less than \$5.00	2	(³)	1	(³)	2	(³)
\$5.00-\$9.99	9	2	4	1	11	2
\$10.00-\$14.99	13	2	18	1	11	2
\$15.00-\$19.99	7	3	9	1	6	3
\$20.00-\$29.99	17	7	20	(³)	16	8
\$30.00-\$39.99	7	6	9	4	7	6
\$40.00-\$49.99	5	5	5	9	5	4
\$50.00-\$59.99	3	7	3	7	3	7
\$60.00-\$69.99	3	3	6	4	2	3
\$70.00-\$79.99	2	4	1	2	2	5
\$80.00-\$89.99	(³)	3	(³)	2	(³)	3
\$90.00-\$99.99	(³)	5	-	1	(³)	5
\$100.00-\$124.99	(³)	7	(³)	12	(³)	6
\$125.00-\$149.99	(³)	6	(³)	5	-	6
\$150.00-\$174.99	-	4	-	5	-	3
\$175.00-\$199.99	-	3	-	4	-	3
\$200.00 or greater	-	5	-	14	-	3
Composite rate ⁴	9	6	2	1	10	7
Amount varies by employee ⁵	12	8	13	10	11	8
Amount varies by earnings	4	3	(³)	2	5	4
Not determinable	8	12	9	13	7	12

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 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 59. Medical care benefits: Average monthly contribution of full-time participants in contributory plans, medium and large private establishments, 1991

Type of coverage	All participants	Professional, technical, and related participants	Clerical and sales participants	Production and service participants
All plans				
Employee coverage	\$26.60	\$26.35	\$28.00	\$25.82
Family coverage ¹	96.97	96.43	107.86	90.78
Health maintenance organizations				
Employee coverage	29.23	28.58	31.58	28.07
Family coverage ¹	118.19	110.08	121.40	121.97
Non-health maintenance organizations				
Employee coverage	25.84	25.65	26.98	25.21
Family coverage ¹	91.52	92.66	103.99	83.67

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 60. Medical care benefits: Percent of full-time participants by requirement for employee contribution, medium and large private establishments, 1991

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	40	23	38	23	40	22	40	23
Contributory	60	77	62	77	60	78	60	76
Not determinable	(¹)	(¹)	-	(¹)	(¹)	(¹)	(¹)	1
Non-health maintenance organizations	100	100	100	100	100	100	100	100
Non-contributory	51	33	47	26	44	28	57	39
Contributory	49	67	53	74	56	72	43	61
Not determinable	(¹)	(¹)	(¹)	(¹)	(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 61. Medical care benefits¹: Percent of full-time participants by length-of-service requirements for participation,² medium and large private establishments, 1991

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	41	29	36	50
1 month	11	10	11	12
2 months	4	2	3	6
3 months	16	12	15	19
4-5 months	3	1	2	4
6 months	4	2	4	5
7-11 months	2	2	1	4
1 year	(³)	(³)	(³)	(³)
Over 1 year	(³)	(³)	(³)	(³)
Without service requirement	40	51	47	31
Service requirement not determinable ⁴	19	21	17	18
Not applicable—plan not available to new employees	(³)	(³)	(³)	(³)

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.

⁴ Plans where service requirements were unknown, usually because plan documents (typically prepared by health care provider) did not specify the employer's eligibility provisions.

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

Table 62. Medical care benefits¹: Percent of full-time participants by provision for coverage after retirement, medium and large private establishments, 1991

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	45	50	48	40
For retirees under age 65 only ...	4	3	5	5
For retirees 65 and over only	2	3	2	1
For all retirees	38	44	41	34
Benefits cancelled on retirement or financed wholly by retiree	54	49	51	58
Data not available	1	1	1	2

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

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

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

Table 63. Medical care benefits¹: Percent of full-time participants by provisions for benefits after retirement, medium and large private establishments, 1991

Characteristic	All participants		Professional, technical, and related participants		Clerical and sales participants		Production and service participants	
	Retiree under 65 ²	Retiree 65 and over	Retiree under 65 ²	Retiree 65 and over	Retiree under 65 ²	Retiree 65 and over	Retiree under 65 ²	Retiree 65 and over
Percent of participants with employer-financed retiree coverage ³	43	41	47	47	45	43	39	35
Benefit level⁴								
Total	100	100	100	100	100	100	100	100
No change in coverage	74	69	76	71	82	77	67	62
Reduced coverage	15	19	14	19	10	15	18	21
Increased coverage	1	1	2	2	1	1	1	2
Not determinable	10	11	7	7	7	7	14	15
Eligibility for retiree coverage								
Total	100	100	100	100	100	100	100	100
All retirees eligible	22	24	22	26	26	28	20	20
Eligibility subject to service requirement	35	30	35	30	37	35	34	28
Must qualify for company pension	32	34	34	35	31	30	32	35
Other	(⁵)	(⁵)	(⁵)	(⁵)	(⁵)	(⁵)	(⁵)	(⁵)
Eligibility data not available	10	12	8	8	7	8	15	17
Financing								
Total	100	100	100	100	100	100	100	100
Retiree pays some cost	53	49	57	52	60	54	45	44
Retiree pays no cost	38	41	37	42	34	40	41	40
Not determinable	9	10	6	6	6	6	14	15

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 Provisions in this column apply to the period between retirement and age 65.

³ Tabulations cover plans in which insurance was continued for longer than 1 month after retirement and where the employer wholly or partly financed the coverage. It excludes plans that provide only the retiree's

share of premiums for medical insurance under Medicare (Part B).

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

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 64. Dental care benefits: Percent of full-time participants in contributory stand-alone plans¹ by type and amount of employee contribution, medium and large private establishments, 1991

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	56	64	Flat monthly amount	62	65
Less than \$2.00	6	(³)	Less than \$2.00	5	1
\$2.00-\$4.99	27	4	\$2.00-\$4.99	34	3
\$5.00-\$9.99	16	17	\$5.00-\$9.99	17	21
\$10.00-\$14.99	3	14	\$10.00-\$14.99	3	18
\$15.00-\$19.99	1	12	\$15.00-\$19.99	1	8
\$20.00-\$24.99	(³)	5	\$20.00-\$24.99	(³)	6
\$25.00 or greater	(³)	10	\$25.00 or greater	(³)	8
Composite rate ⁴	2	1	Composite rate ⁴	1	1
Amount varies by employee ⁵	33	26	Amount varies by employee ⁵	29	24
Amount varies by earnings	2	1	Amount varies by earnings	(³)	(³)
Not determinable	9	9	Not determinable	9	11
Professional, technical, and related			Production and service		
Total	100	100	Total	100	100
Flat monthly amount	49	61	Flat monthly amount	58	67
Less than \$2.00	6	1	Less than \$2.00	7	(³)
\$2.00-\$4.99	18	3	\$2.00-\$4.99	29	6
\$5.00-\$9.99	19	14	\$5.00-\$9.99	14	17
\$10.00-\$14.99	4	12	\$10.00-\$14.99	3	14
\$15.00-\$19.99	1	14	\$15.00-\$19.99	3	14
\$20.00-\$24.99	(³)	4	\$20.00-\$24.99	(³)	4
\$25.00 or greater	(³)	11	\$25.00 or greater	-	10
Composite rate ⁴	1	1	Composite rate ⁴	3	2
Amount varies by employee ⁵	41	30	Amount varies by employee ⁵	29	22
Amount varies by earnings	1	1	Amount varies by earnings	3	2
Not determinable	9	8	Not determinable	9	8

¹ Plans that exclusively provide dental benefits.

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 65. Dental care benefits: Percent of full-time participants by extent of coverage for selected procedures, medium and large private establishments, 1991

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	98	96	98	98	98	98	72
Scheduled cash allowance	12	13	18	15	17	17	16	16	17	(³)
Incentive schedule ⁴	1	1	1	1	(³)	(³)	1	1	(³)	-
Subject to copayment ⁵	2	1	2	4	3	5	4	4	5	4
Percent of usual, customary, and reasonable charge	84	85	77	76	74	74	75	75	74	68
Less than 50	(³)	(³)	(³)	(³)	(³)	(³)	(³)	(³)	(³)	(³)
50	1	1	5	6	45	45	9	7	55	48
51-59	-	-	(³)	(³)	-	-	(³)	(³)	(³)	-
60	(³)	(³)	2	2	5	6	2	2	6	2
61-74	1	1	2	2	2	2	2	2	1	1
75	1	1	5	4	3	3	5	5	2	1
80	16	19	42	43	8	9	41	42	7	3
85	(³)	2	4	4	2	2	4	4	(³)	-
90	2	6	6	6	5	5	6	6	1	(³)
100 ⁶	64	54	11	8	3	3	6	7	3	14
Discounted benefit ⁷	(³)	(³)	(³)	(³)	(³)	(³)	(³)	(³)	(³)	(³)
Subject to overall plan provisions only ⁸	1	1	1	1	1	1	1	1	1	-
Not covered	(³)	(³)	(³)	1	4	2	1	1	2	28
Not determinable	-	-	-	1	(³)	-	1	1	(³)	-
Professional, technical, and related										
Total	100	100	100	100	100	100	100	100	100	100
Covered	100	100	100	97	97	98	97	98	98	72
Scheduled cash allowance	11	11	16	14	15	15	14	14	15	(³)
Incentive schedule ⁴	1	1	2	2	(³)	(³)	2	2	(³)	-
Subject to copayment ⁵	2	1	2	4	3	4	3	3	4	3
Percent of usual, customary, and reasonable charge	84	85	79	77	77	78	77	77	77	69
Less than 50	(³)	(³)	(³)	(³)	(³)	(³)	(³)	(³)	(³)	(³)
50	(³)	1	7	8	49	50	11	9	57	48
51-59	-	-	(³)	(³)	-	-	(³)	(³)	(³)	-
60	(³)	(³)	2	3	6	6	3	3	6	2
61-74	1	1	2	2	1	1	2	2	1	(³)
75	1	2	6	6	4	4	6	6	2	1
80	15	18	45	44	10	10	42	44	7	5
85	(³)	2	3	3	1	1	3	3	(³)	-
90	1	3	3	4	2	2	3	4	(³)	(³)
100 ⁶	65	58	11	8	4	3	6	7	2	13
Discounted benefit ⁷	(³)	(³)	(³)	(³)	(³)	(³)	(³)	(³)	(³)	(³)
Subject to overall plan provisions only ⁸	1	1	1	1	1	1	1	1	1	-
Not covered	(³)	(³)	(³)	1	3	2	1	1	2	28
Not determinable	-	-	-	2	(³)	-	1	1	(³)	-

See footnotes at end of table.

Table 65. Dental care benefits: Percent of full-time participants by extent of coverage for selected procedures, medium and large private establishments, 1991—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	98	96	99	97	98	98	70
Scheduled cash allowance	10	10	18	16	16	18	16	16	17	1
Incentive schedule ⁴	2	2	2	2	(³)	(³)	2	2	(³)	-
Subject to copayment ⁵	1	1	1	3	3	4	4	3	4	3
Percent of usual, customary, and reasonable charge	86	87	78	75	76	76	75	76	76	66
Less than 50	(³)	(³)	(³)	(³)	(³)	(³)	(³)	(³)	(³)	(³)
50	(³)	1	5	6	51	51	8	6	55	47
51-59	-	-	(³)	(³)	-	-	(³)	(³)	(³)	-
60	1	1	2	3	6	6	2	3	6	2
61-74	1	1	2	2	2	2	2	2	2	1
75	1	1	4	4	4	3	4	4	3	1
80	20	24	48	48	8	8	47	48	7	2
85	(³)	1	3	3	1	1	3	3	(³)	-
90	2	3	3	3	2	2	3	3	1	(³)
100 ⁶	62	55	10	6	2	2	6	7	2	12
Discounted benefit ⁷	(³)	(³)	(³)	(³)	(³)	(³)	(³)	(³)	(³)	(³)
Subject to overall plan provisions only ⁸	1	1	1	1	1	1	1	1	1	-
Not covered	(³)	(³)	(³)	1	4	1	1	(³)	2	30
Not determinable	-	-	-	1	(³)	-	1	1	(³)	-
Production and service										
Total	100	100	100	100	100	100	100	100	100	100
Covered	100	100	100	98	95	98	98	98	98	74
Scheduled cash allowance	15	15	20	16	19	19	18	17	18	1
Incentive schedule ⁴	(³)	(³)	1	1	(³)	(³)	1	1	(³)	-
Subject to copayment ⁵	2	1	2	5	3	6	5	6	7	5
Percent of usual, customary, and reasonable charge	83	83	76	76	71	71	74	74	72	69
Less than 50	(³)	(³)	(³)	(³)	(³)	(³)	(³)	(³)	(³)	(³)
50	1	1	4	6	40	39	8	6	53	47
51-59	-	-	(³)	(³)	-	-	(³)	(³)	(³)	-
60	(³)	(³)	1	1	5	5	1	1	5	2
61-74	1	1	2	2	2	2	2	2	1	1
75	1	1	4	4	2	2	4	4	2	1
80	14	16	38	40	8	8	37	38	7	2
85	(³)	4	6	5	3	3	6	6	(³)	-
90	2	10	9	9	8	8	9	9	1	(³)
100 ⁶	64	50	12	9	3	3	7	7	3	15
Discounted benefit ⁷	(³)	(³)	(³)	(³)	(³)	(³)	(³)	(³)	(³)	(³)
Subject to overall plan provisions only ⁸	1	1	1	1	1	1	1	1	1	-
Not covered	(³)	(³)	(³)	1	5	2	2	1	2	26
Not determinable	-	-	-	1	(³)	-	1	1	(³)	-

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 66. Dental care benefits: Percent of full-time participants by deductible provision¹, medium and large private establishments, 1991

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	64	67	72	57
Yearly deductible only	55	59	61	49
Under \$25	(*)	(*)	(*)	1
\$25	18	21	18	17
\$26-\$49	1	1	2	1
\$50	30	31	34	26
\$51-\$99	2	3	3	1
\$100	3	4	3	2
Over \$100	(*)	(*)	(*)	(*)
Lifetime deductible only	5	3	7	5
\$50	4	3	7	3
Over \$50	(*)	(*)	(*)	(*)
Both yearly and lifetime deductibles	4	4	4	4
Subject to overall plan deductible	2	2	1	1
No deductible	34	31	26	41
Deductible not determinable	(*)	(*)	(*)	(*)

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 67. Dental care benefits: Percent of full-time participants by yearly maximum amount of coverage,¹ medium and large private establishments, 1991

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	85	85	87	84
Less than \$500	1	1	(*)	1
\$500	2	2	1	3
\$501-\$749	(*)	(*)	-	-
\$750	7	10	7	6
\$751-\$999	1	2	1	1
\$1,000	46	45	49	46
\$1,001-\$1,499	7	6	8	8
\$1,500	12	13	13	12
\$1,501-\$1,999	1	1	1	1
\$2,000	4	5	3	3
Greater than \$2,000	2	1	2	3
No yearly maximum	15	15	13	16
Provision not determinable	(*)	(*)	(*)	(*)

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 68. Dental care benefits: Percent of full-time participants in plans with orthodontic benefits by lifetime maximum amount of coverage, medium and large private establishments, 1991

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	83	87	85	80
Less than \$500	(²)	-	(²)	(²)
\$500	5	4	5	5
\$501-\$749	3	1	1	4
\$750	7	10	6	6
\$751-\$999	3	3	2	2
\$1,000	37	37	43	33
\$1,001-\$1,499	15	13	12	19
\$1,500	10	14	13	7
Greater than \$1,500	4	5	2	4
No lifetime maximum	17	13	15	20

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 69. Dental care benefits: Percent of full-time participants by provision for preauthorization of treatment, medium and large private establishments, 1991

Item	All participants	Professional, technical, and related participants	Clerical and sales participants	Production and service participants
Total	100	100	100	100
Preauthorization required	65	64	65	66
Minimum expense requiring preauthorization:				
Less than \$100	(¹)	(¹)	(¹)	(¹)
\$100	13	13	12	13
\$101 - \$199	10	12	8	11
\$200	20	17	24	19
Greater than \$200	16	15	17	17
Dollar amount not determinable	5	6	5	5
Preauthorization not required	35	36	35	34

¹ Less than 0.5 percent.

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

Table 70. Medical care benefits: Percent of full-time participants in plans with vision benefits by extent of coverage for selected benefits, medium and large private establishments, 1991

Type of vision benefit	Total	Covered	Covered in full	Subject to internal limits					Subject to overall limitations only	Not covered	Not determinable
				Total ¹	Scheduled allowance	Coinsurance	Copayment	Retail discount ²			
All participants											
Examinations	100	99	19	77	48	4	28	-	3	1	(³)
Eyeglasses	100	100	11	87	61	3	23	4	1	-	-
Contact lenses	100	86	1	85	72	3	15	3	1	13	(³)
Professional, technical, and related											
Examinations	100	98	20	74	50	4	23	-	4	1	1
Eyeglasses	100	100	10	87	64	3	18	6	3	(³)	-
Contact lenses	100	87	(³)	87	74	3	12	5	(³)	12	1
Clerical and sales											
Examinations	100	98	19	78	53	5	23	-	2	1	1
Eyeglasses	100	100	8	91	69	4	19	6	1	(³)	-
Contact lenses	100	89	1	88	78	4	12	4	(³)	10	(³)
Production and service											
Examinations	100	99	19	77	45	3	32	-	2	1	(³)
Eyeglasses	100	100	13	86	56	3	28	3	1	-	-
Contact lenses	100	85	1	83	68	3	18	2	1	15	1

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

² Provided at discount if purchased at an approved dealer.

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.

Chapter 5. Life Insurance

Life insurance was provided to nearly all full-time employees in medium and large private establishments in 1991 (tables 71-81). Among workers with life insurance:

- 52 percent were covered by a multiple-of-earnings formula, most commonly one or two times earnings;
- 15 percent were required to contribute toward coverage;
- 37 percent were covered by plans that imposed reductions on life insurance for the older active worker, usually starting at age 65;
- 51 percent had dependent life insurance protection available;
- 44 percent were in plans that continued coverage after retirement.

The employer generally paid the entire cost of basic life insurance. When employee contributions were required, life insurance benefits were frequently offered as part of a cafeteria plan or reimbursement account. These plans allow workers to choose from various benefit options depending on their needs. In such cases, employees may have to contribute, often in the form of pretax dollars, to obtain the benefit package they desire. Another method of specifying employee payments included flat dollar amounts per \$1,000 of coverage, which usually amounted to less than 20 cents per \$1,000 of coverage per month.

Types and amounts of benefit formulas

Basic coverage for 59 percent of all full-time life insurance participants was linked to their earnings. This link enabled the level of protection to increase automatically with a rise in pay. Earnings-based formulas were much more prevalent among white-collar workers (71 percent) than among blue-collar workers (46 percent). The most common method of tying life insurance protection to earnings was to multiply the employee's annual earnings by a factor of one or two and round the product to the next higher \$1,000. For example, an employee earning \$22,700 would receive \$46,000 of coverage under a plan providing two times earnings ($\$22,700 \times 2 = \$45,400$, which rounds up to \$46,000).

The average multiple-of-earnings benefit formula for all participants was 1.5 times the amount of earnings. Just over one-half of participants in these plans had insurance equal to their annual earnings. One-fourth had coverage equal to twice their annual earnings.

Forty-two percent of participants covered by multiple-of-earnings plans had no limit placed on the amount of coverage available. In plans that had limits, the most prevalent maximums observed were between \$50,000 and \$499,999. Six percent of participants in plans with a multiple-of-earnings formula had a maximum of a \$1,000,000 or more.

A flat dollar amount of insurance, regardless of earnings, covered 36 percent of life insurance plan participants. Production and service workers were much more likely to receive this type of benefit (50 percent) than professional, technical, and related workers (21 percent) or clerical and sales workers (26 percent). However, the average flat-dollar amount of life insurance coverage was highest for the professional, technical, and related workers at \$18,293, compared to \$13,502 for clerical and sales participants, and \$13,033 for production and service workers.

Insurance protection ranging from \$5,000 to \$15,000 was most prevalent among participants in plans specifying a flat dollar amount of insurance. A small percentage of participants in such plans had coverage of \$30,000 or more; professional and technical participants most often had these larger benefits.

Although it usually provides smaller amounts of insurance than earnings-based formulas, flat amount coverage has improved over the years. For example, participation in flat dollar plans providing life insurance of \$20,000 or more increased from 2 percent in 1979 to 10 percent in 1986 and 21 percent in 1991.

In addition to data on specific benefit formulas, survey data were used to compute average life insurance benefit amounts, based on assumed earnings levels and years of service. For the participants in each life insurance plan, a dollar amount of benefit was computed. These benefits were then averaged and weighted by current participation. For participants with assumed annual earnings of \$25,000 and 10 years of service, the average available life insurance benefit was \$36,489.³⁰ The average benefit at this earnings level was highest for professional, technical, and related

³⁰ For further details on these life insurance calculations, see Adam Z. Bellet, "Employer-Sponsored Life Insurance: A New Look," *Monthly Labor Review*, October 1989, pp. 25-28.

workers (\$38,348) and lowest for production and service workers (\$34,715).

Expected life insurance benefits increase as annual earnings increase because of the presence of plans linked to earnings. For workers with assumed earnings of \$55,000 and 10 years of service, the average benefit was \$62,796. Although the average benefit increased with earnings for all occupational groups, professional, technical, and related workers had the greatest increases. This results from the greater prevalence of earnings-based life insurance benefits—which keep pace with rising earnings—among professional employees.

Coverage for older active workers and retirees

Thirty-seven percent of participants had plans in which older active workers faced reduced benefits. Coverage is reduced to adjust for the increased cost of insuring older workers.³¹ Of the participants whose plans reduced coverage, one-half would have their first reduction at age 65, and one-third at age 70. Rarely did reductions 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.

The average life insurance benefit for active workers normally begins to decline at age 65. For example, participants age 65 with 30 years of service who earned \$35,000 a year had an average life insurance benefit of \$43,637, compared to \$47,615 for younger workers. At age 70, an individual with the same years of service and earnings could expect an average life insurance benefit of \$36,286. White-collar workers age 65 or older usually had a higher average life insurance benefit than blue-collar workers.

Basic life insurance coverage continued after retirement for 44 percent of the full-time participants in medium and large private establishments. This coverage almost always continued for the rest of the retiree's life, but the amount of the benefit was usually reduced at least once during retirement.³²

Related protection

Accidental death and dismemberment (AD&D) insurance was available to 71 percent of the full-time life insur-

ance plan participants in 1991. This insurance provides additional benefits if a worker dies or loses an eye or a limb in an accident. For four-fifths of these workers, the AD&D benefit equaled the basic life insurance benefit for accidental death, and a portion of that benefit for dismemberment.³³

Benefits supplementing basic life insurance coverage were available to just over one-half of the participants. In the vast majority of cases, these employees had to pay the full premium for such benefits. The typical supplemental plan provided term life insurance in multiples of one to three times annual pay, at the employee's option. Supplemental coverage was nearly twice as prevalent for employees who had their basic insurance determined by a multiple-of-earnings formula than for those with a flat dollar amount of coverage.

Life insurance coverage for dependents was available to one-half of participants. Three-fifths of the workers with this coverage were required to pay the entire premium, but the remainder had available either joint employee-employer paid or entirely employer-paid dependent coverage. The most prevalent method used to provide dependent coverage was a flat dollar benefit. In such plans, spousal coverage averaged \$4,581, and coverage for children averaged \$2,834 in 1991. Among other plans, the employee often had the option to select specific benefits.

Six percent of the life insurance participants were covered by plans that provided a monthly income to surviving members of a deceased employee's family. 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 remarried or reached age 65, or surviving children reached a given age.

Service requirements

Two-fifths of all life insurance participants had to work a minimum period to qualify for the plan. The most prevalent service requirement for such workers was 3 months, followed by 1 month. One-third of participants did not have to meet any service requirement to qualify for benefits. In addition, service requirements could not be determined for one-fourth of the participants.

³¹ Details on life insurance benefits for older workers are discussed by Michael A. Miller in "Age-Related Reductions in Workers' Life Insurance," *Monthly Labor Review*, September 1985, pp. 29-34.

³² 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.

³³ 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.

Table 71. Life insurance: Percent of full-time participants by method of determining amount of basic life insurance and frequency of related coverages, medium and large private establishments, 1991

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	97	96	96	97
Based on earnings	59	72	69	46
Multiple ²	52	68	63	36
Graduated schedule	7	5	6	9
Flat amount	36	21	26	50
Flat amount based on service	1	2	1	1
Other	(³)	(³)	(³)	(³)
With accidental death and dismemberment coverage	71	70	66	73
With survivor income benefit ⁴	6	6	5	7
Supplemental benefits available	54	62	59	46
Wholly employee paid	42	46	47	36
With dependent coverage	51	53	55	47
Wholly employee paid	32	36	36	28

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

² Includes participants in plans in which insurance equated 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 72. Life insurance: Percent of full-time participants in plans with multiple-of-earnings formulas¹ by amount of basic insurance and maximum coverage provisions, medium and large private establishments, 1991

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	42	58	3	13	14	15	7	6
Life insurance is equal to annual earnings times: ²									
Less than 1.0	3	1	2	(⁰)	1	(⁰)	(⁰)	(⁰)	1
1.0	52	23	28	2	9	7	5	3	3
1.1-1.4	2	(⁰)	2	-	(⁰)	(⁰)	1	-	(⁰)
1.5	10	3	7	(⁰)	1	2	1	(⁰)	1
1.6-1.9	(⁰)	(⁰)	(⁰)	-	-	(⁰)	-	(⁰)	-
2.0	25	12	13	(⁰)	2	3	4	2	2
2.1-2.4	1	(⁰)	1	-	(⁰)	(⁰)	(⁰)	-	-
2.5	3	(⁰)	3	(⁰)	(⁰)	1	1	(⁰)	(⁰)
3.0	3	1	1	(⁰)	(⁰)	(⁰)	(⁰)	(⁰)	(⁰)
More than 3.0	2	(⁰)	1	-	-	(⁰)	1	(⁰)	(⁰)
Multiple varying with earnings	(⁰)	(⁰)	(⁰)	-	-	(⁰)	(⁰)	-	-
Professional, technical, and related									
Total	100	40	60	2	13	13	18	8	6
Life insurance is equal to annual earnings times: ²									
Less than 1.0	3	1	3	(⁰)	1	1	1	(⁰)	1
1.0	48	20	28	1	8	6	6	4	3
1.1-1.4	3	-	3	-	(⁰)	-	3	-	-
1.5	10	3	7	(⁰)	2	3	2	(⁰)	(⁰)
1.6-1.9	(⁰)	(⁰)	(⁰)	-	-	(⁰)	-	(⁰)	-
2.0	28	13	14	(⁰)	2	3	5	3	2
2.1-2.4	1	(⁰)	1	-	(⁰)	(⁰)	(⁰)	-	-
2.5	3	1	2	(⁰)	(⁰)	1	1	1	(⁰)
3.0	3	1	2	(⁰)	1	(⁰)	(⁰)	(⁰)	(⁰)
More than 3.0	2	(⁰)	1	-	-	(⁰)	1	(⁰)	(⁰)
Multiple varying with earnings	(⁰)	(⁰)	(⁰)	-	-	(⁰)	(⁰)	-	-
Clerical and sales									
Total	100	41	59	4	11	15	14	8	8
Life insurance is equal to annual earnings times: ²									
Less than 1.0	3	1	2	(⁰)	(⁰)	1	(⁰)	(⁰)	(⁰)
1.0	52	24	28	3	8	7	4	3	3
1.1-1.4	2	(⁰)	2	-	-	(⁰)	1	-	(⁰)
1.5	9	2	6	1	1	2	1	1	1
1.6-1.9	(⁰)	-	(⁰)	-	-	(⁰)	-	-	-
2.0	24	10	14	(⁰)	2	3	5	2	3
2.1-2.4	(⁰)	-	(⁰)	-	(⁰)	-	(⁰)	-	-
2.5	4	1	3	(⁰)	-	1	1	1	(⁰)
3.0	3	2	2	(⁰)	(⁰)	1	(⁰)	(⁰)	(⁰)
More than 3.0	2	(⁰)	2	-	-	(⁰)	1	1	(⁰)
Multiple varying with earnings	1	(⁰)	(⁰)	-	-	(⁰)	(⁰)	-	-

See footnotes at end of table.

Table 72. Life insurance: Percent of full-time participants in plans with multiple-of-earnings formulas¹ by amount of basic insurance and maximum coverage provisions, medium and large private establishments, 1991—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	47	53	3	15	14	11	5	5
Life insurance is equal to annual earnings times: ²									
Less than 1.0	4	2	2	1	1	(³)	(³)	(³)	(³)
1.0	55	25	30	2	10	7	5	3	3
1.1-1.4	1	(³)	(³)	-	-	(³)	(³)	-	(³)
1.5	11	4	7	(³)	2	3	1	(³)	1
1.6-1.9	(³)	(³)	(³)	-	-	(³)	-	(³)	-
2.0	22	12	10	(³)	2	3	3	1	1
2.1-2.4	1	-	1	-	(³)	-	1	-	-
2.5	2	(³)	2	-	-	1	(³)	1	(³)
3.0	2	1	1	(³)	-	(³)	(³)	(³)	(³)
More than 3.0	2	1	1	-	-	(³)	1	(³)	(³)
Multiple varying with earnings	(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 73. Life insurance: Percent of full-time participants in plans with flat dollar insurance¹ by amount of basic insurance, medium and large private establishments, 1991

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	1	(²)	3	1
\$2,000-\$4,999	4	2	3	4
\$5,000-\$9,999	28	20	20	33
\$10,000-\$14,999	35	37	48	31
\$15,000-\$19,999	11	14	8	11
\$20,000-\$24,999	9	8	7	10
\$25,000-\$29,999	4	4	3	3
\$30,000-\$34,999	1	2	1	1
\$35,000-\$39,999	2	1	2	2
\$40,000-\$44,999	1	(²)	(²)	1
\$50,000-\$54,999	3	4	1	3
\$55,000 and over	2	7	3	(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 74. Life insurance: Average benefit amounts¹ for full-time participants by specified annual earnings and years of service, medium and large private establishments, 1991

Years of service	Annual salary			
	\$25,000	\$35,000	\$45,000	\$55,000
All participants				
10 years	\$36,489	\$47,407	\$54,874	\$62,786
20 years	36,647	47,565	54,832	62,954
30 years	36,697	47,615	54,882	63,004
Professional, technical, and related				
10 years	38,348	50,219	61,330	71,369
20 years	38,698	50,569	61,680	71,719
30 years	38,814	50,686	61,797	71,835
Clerical and sales				
10 years	37,767	49,745	60,264	70,331
20 years	37,877	49,855	60,374	70,441
30 years	37,913	49,891	60,410	70,477
Production and service				
10 years	34,715	44,515	47,799	53,768
20 years	34,782	44,582	47,866	53,835
30 years	34,799	44,599	47,883	53,851

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

Table 75. Life insurance: Percent of full-time participants by provisions for age-related reduction of basic life insurance benefits for current employees, medium and large private establishments, 1991

Provision	All participants	Professional, technical, and related participants	Clerical and sales participants	Production and service participants
Total	100	100	100	100
Life insurance changes	37	40	40	34
Life insurance reduced	37	40	40	34
Reduction begins at:				
Age 60 or before	1	1	1	(¹)
Ages 61 to 64	(¹)	(¹)	1	(¹)
Age 65	19	21	20	18
Ages 66 to 69	4	3	6	3
Age 70	13	14	13	12
Age 71 or later	(¹)	1	(¹)	(¹)
Reduction in maximum life insurance benefits	(¹)	(¹)	(¹)	(¹)
Life insurance benefits do not change	63	60	60	66

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 77. Life insurance: Percent of full-time participants in basic life insurance plans by effect of retirement on coverage, medium and large private establishments, 1991

Effect of retirement	All participants	Professional, technical, and related participants	Clerical and sales participants	Production and service participants
Total	100	100	100	100
With coverage ¹	44	46	45	43
Without coverage	53	52	53	54
Not determinable	3	2	2	3

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 76. Life insurance: Average benefit amounts¹ for full-time participants with 30 years of service by age and specified annual earnings, medium and large private establishments, 1991

Age	Annual salary			
	\$25,000	\$35,000	\$45,000	\$55,000
All participants				
Age 65	\$33,464	\$43,637	\$50,212	\$57,669
Age 70	28,116	36,286	41,846	47,824
Age 75	26,641	34,074	39,295	44,828
Professional, technical, and related				
Age 65	33,542	44,510	54,728	63,905
Age 70	28,827	38,052	46,577	54,077
Age 75	27,546	36,284	44,323	51,347
Clerical and sales				
Age 65	34,067	44,995	54,505	63,583
Age 70	28,113	36,972	44,561	51,706
Age 75	26,649	34,788	41,942	48,659
Production and service				
Age 65	33,106	42,413	45,289	50,877
Age 70	27,691	34,872	37,607	42,070
Age 75	26,094	32,379	34,913	38,940

¹ Life insurance figures are average amounts for both plans with and without age-related reductions.

Table 78. Life insurance: Percent of full-time participants with accidental death and dismemberment insurance by amount of benefit,¹ medium and large private establishments, 1991

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	90	89	90	90
Less than 1 times	6	5	4	8
1 times	81	81	85	80
Greater than 1 times	2	3	2	2
Flat amount	7	5	6	9
\$2,000-\$4,999	1	(²)	1	1
\$5,000-\$9,999	2	(²)	2	4
\$10,000-\$19,999	2	1	1	2
\$20,000-\$29,999	1	3	1	(²)
\$30,000 or greater	1	(²)	(²)	1
Other ³	4	6	4	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 79 . Life insurance: Percent of full-time participants in plans with multiple of earnings and flat dollar amounts of insurance by availability of supplemental benefits, medium and large private establishments, 1991

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	66	69	69	61
Without supplemental	32	29	31	38
Data not available	1	1	1	2
Flat amount	100	100	100	100
With supplemental	37	54	43	30
Without supplemental	61	45	55	66
Data not available	3	1	2	3

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

Table 80. Life insurance: Percent of full-time participants with dependent coverage by type and amount of coverage, medium and large private establishments, 1991

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	100	100
Flat benefit	36	31	36	39
\$500	1	(¹)	(¹)	1
\$501 to \$999	(¹)	-	-	(¹)
\$1,000	5	2	4	8
\$1,001 to \$1,499	(¹)	-	-	(¹)
\$1,500	1	1	1	(¹)
\$2,000	6	6	5	6
\$2,500	2	1	1	3
\$3,000	2	1	1	4
\$4,000	1	1	1	1
\$5,000	10	10	11	10
More than \$5,000	9	10	12	7
Benefit varies	34	37	31	33
Varies by age of spouse	1	2	(¹)	(¹)
Varies by age of employee	(¹)	(¹)	-	(¹)
Varies by employee earnings	(¹)	1	1	(¹)
Varies by employee option	28	29	24	29
Varies by amount of employee life insurance coverage	5	5	6	4
Amount of coverage not determinable ²	30	32	33	28
Insurance on spouse not provided	(¹)	(¹)	(¹)	-
Death of child	98	99	98	98
Flat benefit	42	43	42	41
Less than \$500	(¹)	-	(¹)	(¹)
\$500	1	1	1	2
\$501 to \$999	(¹)	-	-	(¹)
\$1,000	11	11	11	12
\$1,001 to \$1,499	(¹)	(¹)	(¹)	(¹)
\$1,500	3	2	2	3
\$2,000	11	10	13	11
\$2,500	2	2	2	2
\$3,000	1	1	1	2
\$3,001 to \$3,999	1	1	2	1
\$4,000	1	2	1	1
\$4,001 to \$4,999	(¹)	(¹)	(¹)	-
\$5,000	7	10	7	4
More than \$5,000	3	2	1	4
Benefit varies	26	25	23	30
Varies by age of child ³	3	1	2	5
Varies by employee earnings	(¹)	(¹)	(¹)	(¹)
Varies by employee option	22	22	18	24
Varies by amount of employee life insurance coverage	2	2	2	1
Amount of coverage not determinable ²	30	31	33	28
Insurance on child not provided	2	1	2	2

¹ Less than 0.5 percent.

² In these plans there is dependent coverage, but the amount of coverage can not be determined.

³ 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 81. Life insurance: Percent of full-time participants by length-of-service requirements for participation,¹ medium and large private establishments, 1991

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	41	32	42	45
1 month	10	11	11	10
2 months	3	2	3	4
3 months	15	11	13	20
4-5 months	1	(²)	2	1
6 months	7	6	8	8
7-11 months	(²)	(²)	(²)	(²)
1 year	3	2	4	3
Over 1 year	(²)	(²)	(²)	(²)
Without service requirement	33	44	32	27
Service requirement not determinable ³	25	23	25	27
Not applicable - plan not available to new employees	1	(²)	(²)	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.

³ Service requirements could not be determined usually because plan documents (typically prepared by the life insurance provider) did not include the employer's eligibility provisions.

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

Chapter 6. Defined Benefit Pension Plans

A defined benefit pension plan obligates an employer to provide retirement benefits calculated by a formula specified in the plan. Benefits generally are based on salary, years of service, or both. An employer, however, ordinarily has considerable latitude in financing these benefits. In 1991, 59 percent of full-time employees in medium and large private establishments participated in defined benefit pension plans, continuing a gradual decline in coverage reported by EBS since 1980. Employers are shifting from the traditional defined benefit plans toward relatively new types of defined contribution plans, such as 401(k) plans. Despite this shift, the defined benefit plan, with nearly 18.3 million participants in 1991, continues as the primary retirement vehicle in medium and large private establishments. Defined contribution plans, which specify employer and—if applicable—employee contributions, but do not guarantee a specific benefit, are discussed in the next chapter.

The Employee Benefits Survey examined a variety of provisions in defined benefit pension plans. Major findings include:

- The most prevalent method of determining defined benefit pension benefits was through a terminal earnings formula, which based benefits on average earnings during the last few years before retirement;
- 9 of 10 participants could retire at age 55 or earlier, although typically with benefits reduced to account for receipt of benefit payments over a longer period of time;
- Based on 30 years of plan participation and a final salary of \$35,000, an employee retiring at age 55, when no Social Security benefits are available, could expect an average benefit equal to about 20 percent of final salary; in contrast, at age 65, the average pension equaled nearly 31 percent of final salary, and 63 percent when primary Social Security benefits are included;
- 76 percent of participants could become *vested* or have a guaranteed right to their accrued pension benefits after working 5 years;

- 9 percent of covered workers were in plans that allowed *portability* or transfer of pension benefits from one employer to another;
- 13 percent of participants were in plans that offered an option to receive a full *lump sum* rather than an annuity at retirement.

Benefit formulas

Earnings-based formulas applied to 70 percent of the employees covered by defined benefit pension plans (tables 82 to 87). Such formulas pay a flat percent of the employee's annual earnings per year of service (for example, 1.5 percent of earnings times 30 years of service, or 45 percent of annual earnings), or a percent that varies by service, earnings, or age.

Approaches to calculating annual earnings and the rate paid per year of service vary. For 80 percent of the participants with earnings-based 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*).

For 82 percent of the participants with terminal-earnings formulas, terminal earnings were defined as the average over a 5-year period. Such formulas usually designated the 5 consecutive years with the highest earnings out of the last 10 years before retirement.

Nearly three-fifths of participants in plans with terminal-earnings formulas had benefit formulas that varied according to service, earnings, or a combination of the two factors; this marked a switch from the flat percent of earnings per year of service that was more prevalent in 1989 and earlier surveys. As an example of variations by service and earnings, a terminal-earnings formula might credit an employee with 1 percent of earnings up to the first \$12,000 in each year of service plus 1.5 percent of the earnings exceeding that amount. The annual pension payment equals the sum of these credits. (This approach, boosted by recent changes in the regulations for coordinating pensions with Social Security benefits, is often followed to lower employer pension costs for those wages upon which Social Security taxes are paid, as described in the next section.) When terminal-earnings formulas specified a uniform percent for each year of service, the average was 1.49 percent.

Similarly, formulas based on career earnings typically provided participants with percentages that varied, usual-

ly by earnings. Flat percent rates per year of service—available to approximately two-fifths of participants in plans with career-earnings formulas—averaged 1.58 percent.

Judging whether terminal- or career-earnings formulas provide the more generous pension payment proves difficult because different variables go into computing benefits. For example, calculated average earnings will generally be lower under career-earnings formulas,³⁴ but these benefits are less likely to be offset by a retiree's Social Security payments. (See next section.) In addition, terminal-earnings formulas imposed a limit on the years of service to be included in calculating benefits much more often than career-earnings formulas. (See maximum benefits, below.)

The earnings used to compute pension benefits with both terminal- and career-earnings formulas are very similar. Just over half the participants were in plans that included only "basic" earnings, that is, straight-time earnings. The rest had additional earnings included in the benefit calculation, such as overtime pay and bonuses.

Most plans that did not use a percent-of-earnings benefit formula specified a dollar amount to be paid for each year of service; for example, a plan might pay \$20 monthly for each of an employee's 30 years of service, thus yielding a pension of \$600 a month. Dollar-amount formulas applied to nearly one-fourth of pension plan participants. Although the dollar amount in these formulas sometimes varied with an employee's earnings or service, the predominant method was to multiply a uniform (single) dollar amount by years of service. Uniform amounts credited per year of service averaged about \$23.50 a month, an increase of \$3.50 per year over the 1989 average.

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

Two additional types of defined benefit pension formulas accounted for the remaining participants. *Percent-of-contribution* formulas specify a periodic contribution by an employer, and occasionally by an employee, to a plan. Benefits are a percent of total contributions, for example, 1 percent of total contributions per month; if career contributions totaled \$40,000, then monthly pension benefits would equal \$400. Plans with career contribution formulas covered 4 percent of pension plan participants, up from 1 percent in 1989. The increase in career contribution plan

participation resulted in part because the survey included traveling operating employees, such as over-the-road truckdrivers, for the first time.

Cash account pension plans, which covered 3 percent of pension participants, specify an employer contribution and a rate of interest on that contribution. Benefits are computed as a percent of each employee's account balance. Although both percent-of-contribution and cash account pension formulas resemble the formulas in defined contribution plans, the Internal Revenue Service classifies percent-of-contribution and cash account plans as defined benefit plans because the employer guarantees a certain level of benefits.

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

Private benefits and Social Security payments

Regardless of whether they provide private retirement plans, all employers (except certain exempted ones) 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 either an offset provision, under which part of the Social Security benefit is subtracted from the annuity, or a provision to calculate the pension at a lower rate for earnings below the Social Security taxable wage base (\$53,400 in 1991) than for earnings above the base (table 88).

Social Security offsets are usually applied immediately upon retirement, whether or not the retiree is eligible for Social Security benefits. (Only 7 percent of participants were in plans that delayed imposition of the Social Security offset until Social Security payments began.) The offset normally relates to some small percentage of the Social Security payment, for example, 1 percent times years of service. Frequently the maximum offset is limited to 50 percent of the Social Security payment.

Plans that apply lower pension benefit rates to an employee's earnings below a specified level and higher rates above that level are known as "step-rate excess" plans. For example, a plan may provide a benefit equal to 1 percent of earnings up through the Social Security taxable wage base and 1.5 percent of earnings above the base for each year of service.

³⁴ 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; the final 5-year average would be \$22,730. The difference between the career and final averages lessens with shorter lengths of service.

Benefit formulas were coordinated with Social Security for 54 percent of all pension plan participants. In 1989 and earlier surveys, the offset approach to coordinating private pension plans and Social Security was more prevalent than the excess approach, especially among terminal-earnings-based plans. In 1991, excess plans were the most frequently observed method of coordinating benefits for all earnings-based plans. This change resulted from the Tax Reform Act of 1986, which imposed new rules for pension plans that coordinate with Social Security benefits.³⁵

Maximum benefit provisions

The Employee Retirement Income Security Act of 1974 (ERISA) and subsequent amendments placed ceilings on the size of annual pensions from defined benefit plans. These restrictions largely affect only highly compensated employees. Many plans, however, have provisions that restrict benefit levels for all participants. For example, 39 percent of participants were in plans that limited the number of years of service included in benefit computations; maximums of 30, 35, or 40 years were most common. For 4 percent of the participants, annual pensions (usually including Social Security payments) could not exceed either a specified percent of average annual terminal earnings, or a specified dollar amount (table 89).

Just 1 percent of participants were in defined benefit pension plans that were offset by payments from a defined contribution plan. These defined benefit plans were intended to provide a "floor" of protection below which retirement benefits could not fall.

Replacement rates

A commonly used indicator of a pension benefit measures the percentage of a retiree's final year's earnings that is "replaced" by a pension payment. To calculate replacement rates for 1991 defined benefit pension plans in medium and large private establishments, the private benefit under each surveyed plan, reduced for early retirement when applicable, was determined for employees retiring at age 55 and age 65. These benefit levels were then expressed as percents of earnings in the last year of employment. For example, employees retiring at age 65 earning \$45,000 in their final year of service had about one-half of earnings ($\$45,000 \times 0.507 = \$22,815$) replaced by their pension and primary Social Security benefits after 25 years of plan participation (table 90). The calculations assume employees retired on January 1, 1991, and final earnings are for 1990.³⁶

³⁵ For a comprehensive analysis of formulas with Social Security integration characteristics, see Donald Bell and Diane Hill, "How Social Security Payments Affect Private Pensions," *Monthly Labor Review*, May 1984, pp. 15-20.

³⁶ Earnings histories, necessary for applying the pension formulas, were constructed for each final earnings level based on data provided by the Social Security Administration.

For employees retiring at age 65, table 90 presents average replacement rates resulting from defined benefit pension plans alone and in combination with primary Social Security benefits (primary means excluding benefits for spouse and other dependents).³⁷ For private pension formulas that are integrated with Social Security and for computation of Social Security benefits, the worker is assumed to have retired after having paid into Social Security for the same number of years as years of participation used for pension calculations. Average replacement rates for employees retiring at age 55, however, reflect only the pension payments, because Social Security does not pay benefits at age 55 (table 91).

Chart 3 displays average pension replacement rates based on 30 years of service for three earnings scenarios at retirement ages of 55 and 65. In the higher earnings scenarios (\$35,000 and \$55,000), the private pension plan replaced, on average, about 30 percent of the final year's earnings for retirement at age 65 and 20 percent at age 55. The rate for \$15,000 was about 39 percent for retirement at age 65 and 27 percent at age 55. Overall, average replacement rates can vary widely—from under 10 percent for some retirees aged 55 to nearly 50 percent for some retirees aged 65.

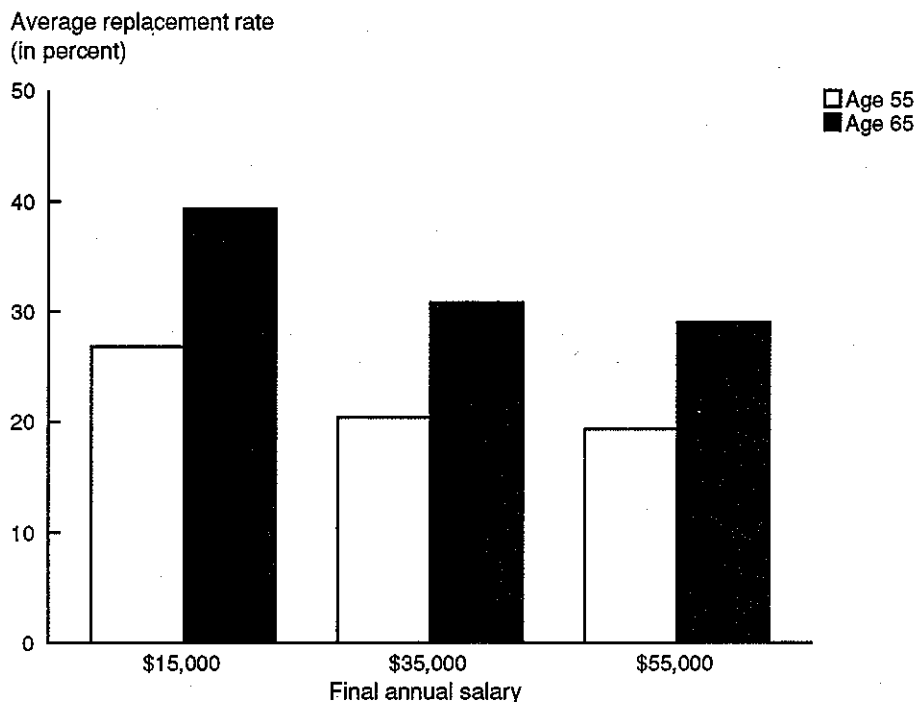
When combined with primary Social Security payments available at age 65, replacement rates differed substantially as earnings increased. Workers earning \$15,000 in their final year of service had nearly seven-eighths of earnings ($\$15,000 \times 0.850 = \$12,750$) replaced after 30 years of service, and just over one-half of earnings were replaced for workers at the \$55,000 earnings level ($\$55,000 \times 0.508 = \$27,940$). The primary Social Security benefit payment was larger than the average private pension at lower earnings levels, but the pension benefit became the greater component as earnings increased.

Although private pension replacement rates (excluding Social Security) for white-collar employees remained fairly constant at higher earnings levels, rates for blue-collar workers dropped by about two-fifths. Table 82 provides an explanation: Approximately two-fifths of all production and service workers have dollar-amount formulas, paying workers with the same years of service the same benefit, regardless of earnings history. This results in a steady decrease in the replacement rates as final earnings increase. Average replacement rates for earnings-based formulas, on the other hand, increase slightly with higher final earnings.

The replacement rates just discussed apply to employees who do not provide benefits for a surviving spouse. These benefits for individual employees are called a "straight-life annuity." Benefit rates differ, however, when the employee elects coverage for his or her spouse ("joint-and-survivor

³⁷ The Social Security spousal benefit, which is 50 percent of the primary benefit, is paid in addition to the primary benefit while both partners are alive (unless the spouse is eligible for a larger primary benefit).

Chart 3. Defined benefit pension plans: Average replacement rates by age and final salary, medium and large private establishments, 1991



Note: Data assume 30 years of plan participation.

annuity”). The following tabulation indicates the percentage of final salary that pension benefits would replace after 30 years of plan participation, based on whether a survivor benefit was elected.³⁸

<i>Final annual salary</i>	<i>Straight-life annuity</i>	<i>Joint-and-survivor annuity</i>	<i>Survivor annuity</i>
<i>Age 55</i>			
\$15,000	26.8	24.1	12.3
\$35,000	20.4	18.3	9.3
\$55,000	19.3	17.3	8.8
<i>Age 65</i>			
\$15,000	39.3	35.1	18.5
\$35,000	30.8	27.5	14.3
\$55,000	29.0	26.0	13.4

³⁸ For more information on pension replacement rates for retirees and their survivors in the private sector, see William J. Wiatrowski, “New Survey Data on Pension Benefits,” *Monthly Labor Review*, August 1991, pp. 8-22.

At age 55, the average pension for individual employees (straight-life annuity) equals nearly 20 percent of final annual salary of \$55,000. The replacement rate diminishes slightly to account for survivor benefits. Should the retiree die, the benefit for the surviving spouse (“survivor annuity”) is almost half that paid to the retiree. (Details on how survivor benefits are calculated appear later in this section.)

Normal retirement

A majority of defined benefit pension plan participants could retire before age 65 and still receive full private pensions (normal retirement benefits) (table 92). Forty-five percent of participants were required to be age 65 to receive such unreduced benefits. Workers who were age 65 usually did not have to satisfy a length-of-service requirement; however, some plans may require workers hired after age 60 to complete at least 5 years of service.

When plans permitted normal retirement prior to age 65, they generally imposed a minimum service requirement. For example, normal retirement at age 62 was available to 24 percent of participants, but nearly three-fifths had to have worked 10 years or more; 12 percent could retire at age 60, but the majority of these workers also had a service requirement. Few participants could retire with

unreduced benefits prior to age 60, but those who could usually had to work 30 years. Retirement at any age with the required amount of service was more common in plans covering blue-collar workers than in those covering white-collar workers.

Plans that required combining a worker's age and service to reach a specified sum for retirement with full benefits covered 6 percent of participants. The most prevalent age-plus-service requirement was 85. This type of arrangement usually specified a minimum age of 55. Minimum lengths of service were less common. (When a plan specified alternative age-and-service requirements for normal retirement, such as age 62 with 10 years of service or age 55 with 20 years of service, the earliest age and associated service was tabulated. This also holds true for early retirement age and service requirements discussed below.)

Early retirement

Virtually all of the employees participating in defined benefit pension plans could retire before normal retirement age and receive an immediate, but reduced, pension (tables 93 and 94). Early retirement was almost always solely at the employee's option; only 1 percent of participants had plans that required employer approval for early retirement benefits. The amount of an early retirement pension is reduced because benefits begin at an earlier age, and the retiree is expected to receive plan payments over a longer period.

Early retirement benefits are generally computed based on the normal retirement formula. The benefit is then reduced by a percentage (factor) for each year between the actual and normal retirement ages. If a plan's normal retirement age is 62, for example, and the reduction factor is 6 percent, a person retiring at age 59 would receive 82 percent of the normal formula amount (that is, the person loses 6 percent for every year under the normal age). In addition to the 18-percent reduction for early retirement, the annuity in this example would be based on fewer years of service and possibly lower earnings than at age 62.

The reduction factor may be uniform or may vary by age or service. Reduction factors that differed for each year of early retirement, based on the employee's life expectancy at that age (actuarial reductions), were used in plans covering 23 percent of participants with early retirement opportunities. Other methods of reducing benefits approximate an actuarial reduction. For example, for 26 percent of the participants, the reduction factor differed for age brackets of several years instead of changing each year. Nearly half the participants had uniform reduction factors, most commonly 3, 4, 5, or 6 percent for each year of early retirement. In plans with a low uniform reduction, such as 3 percent per year, the employer subsidizes some of the early retirement benefit by making the reduction less severe than if benefits were computed actuarially.

Nearly seven-tenths of all participants were covered by plans permitting early retirement at age 55; generally, 10 years of service were required. If employees satisfied service requirements, 15 percent of all participants could retire earlier than age 55. Nearly half of these participants could retire with reduced benefits at any age, usually after 30 years of service.

Additional monthly payments supplemented the early retirement pension for 9 percent of participants if employees retired after meeting a specified age or length-of-service requirement generally higher than the minimum needed to retire. Plan sponsors include these supplementary benefits either to induce older workers to retire or as a reward for long service. Supplements generally last until Social Security benefits are payable.

Disability retirement

A career-ending disability may entitle an employee to a pension before retirement age. If the disability satisfies the plan's definition of total disability, pension benefits often begin immediately. When an employer provides other sources of disability income, such as long-term disability insurance, the plan might defer disability retirement benefits until the other forms of income have ceased. Seventy-nine percent of pension plan participants were covered by some type of disability retirement provision in 1991 (table 95).

Seven-tenths of the blue-collar workers with disability retirement coverage were in plans with immediate benefits. In contrast, nearly half of the white-collar workers were in plans that deferred benefits. Workers with deferred benefits often received long-term disability insurance (LTD) benefits that typically provided 50 or 60 percent of earnings at the time of disability; this often exceeded the amount that pension plans with immediate disability retirement provided. Furthermore, most deferred retirement benefits were greater than immediate pensions, primarily because the time during which LTD benefits were paid was typically added to an employee's length of service for computation of pension benefits. (See chapter 3 for details of LTD benefit plans.)

Eligibility for disability retirement benefits usually depended on length of service; generally 10 years or more were required. Twenty percent of the participants, however, had no age or service requirement, and 18 percent had to meet the qualifications of their LTD plans, which usually imposed service requirements of 6 months or less.

Postponed retirement

Although all employees may continue to work after normal retirement age and accrue regular pension benefits, only 6 percent of the pension plan participants in 1991 could receive benefit increases that reflected specific adjustments for service beyond age 65.³⁹ Most of these in-

³⁹ Recently enacted changes in the Age Discrimination in Employment Act require employers to credit all service after normal retirement age, subject to any maximum credited service provision of the plan.

creases were determined actuarially to reflect the older retiree's receipt of his or her pension over a shorter retirement period.

Postretirement pension increases

Inflation can severely erode the purchasing power of a fixed pension over a worker's retirement years. To guard against this, some pensions are adjusted on a discretionary basis, and others are subject to automatic increases specified in the pension plans. Plans that increased pensions for current retirees at least once during the 1986-90 period covered 11 percent of plan participants, down substantially from 28 percent in the 1984-88 period reported in 1989. Most of these increases were discretionary, or ad hoc, rather than automatic (table 96).

Because the survey counts the number of current employees covered by defined benefit pension plans and not the number of retirees, the survey cannot specify the proportion of annuitants actually receiving postretirement pension increases. Thus, the measures discussed in this section describe the incidence of postretirement increases among active plan participants.

Ad hoc pension increases are not directly linked to a cost-of-living index. Instead, retirees' current pensions usually increase by a percent of the present benefit, commonly a uniform amount. During the 1986-90 period, 7 of 10 participants in pension plans granting ad hoc increases were in plans providing one increase, usually no greater than 5 percent of the current pension amount. In contrast, during the 1984-88 period, nearly half of the participants in pension plans providing ad hoc increases were in plans providing 2 to 5 increases.

Plans granting automatic increases in pension benefits to compensate for increases in the cost of living covered 5 percent of all participants (table 96). In most instances, these cost-of-living adjustment formulas were based on changes in the BLS Consumer Price Index. Adjustments were often restricted, however, by provisions that limited the benefit change to a portion of the CPI change or by ceilings (generally 3 percent or less) on the periodic increase that could be applied. Plans providing cost-of-living increases most often called for annual adjustments.

The survey also yielded information on the incidence of lump-sum payments made to current retirees to compensate for inflation. In 1991, less than 0.5 percent of participants were in plans that gave retirees lump-sum payments.

Vesting

Even when an employee leaves an employer before becoming eligible for either a normal, early, or disability retirement benefit, a plan may ultimately pay a pension (tables 97 and 98). If certain conditions are satisfied at the time of separation, workers have a vested interest in all or a portion of their accrued pension benefits and may begin receiving benefits years later.

Although all pension participants are entitled to vested benefits under the Employee Retirement Income Security Act (ERISA), some variations exist as to when this occurs. As a result of the Tax Reform Act of 1986, however, most plan sponsors adopted shorter vesting schedules in the past few years.⁴⁰ For example, 76 percent of the participants in defined benefit pension plans had to complete 5 years of service before benefits were guaranteed (cliff vesting), up substantially from 50 percent reported in 1989 and 5 percent in 1988. In contrast, the number of participants in plans requiring 10 years of service for cliff vesting declined from 77 percent in 1988 to 38 percent in 1989, and then to 16 percent in 1991.

Most commonly, participants accrued years of vested service regardless of age, although 7 percent were affected by the plan sponsor's right to exclude years of service before a specified age in determining vesting eligibility. Participants not in plans with cliff vesting generally were covered by a graduated vesting provision, which increased the portion of guaranteed benefits as years of service increased. Full vesting usually came after 7 years.

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

For terminated and vested employees who wish to receive a pension beginning prior to normal retirement age, ERISA requires the benefit to be at least the actuarial equivalent of what would have been received starting at age 65. The actuarial equivalent benefit is a reduced amount determined by the life expectancy at the age that pension payments begin. Although under ERISA the reduction factor used in determining the pension for terminated and vested employees can be more severe than for early retirement, the same factor was used in plans covering 49 percent of the participants with early retirement provisions. When reductions differed, it was most common to provide actuarial reductions to deferred vested benefits, eliminating the subsidy employers give to employees choosing early retirement.⁴¹

Portability

For the first time, survey data addressed the *portability* of pension benefits, that is, the ability to transfer years of credited service or accumulated benefits from one employer to another. In 1991, 1 out of 10 full-time employees with a defined benefit pension plan was covered by a portability

⁴⁰ Multiemployer plans may continue to use 10-year vesting schedules pursuant to a collectively bargained agreement.

⁴¹ 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.

provision (table 96). Most of these participants were covered by either a multiemployer plan established by a union or a single employer plan offered by an establishment that had a portability agreement with related establishments, such as in the utilities industry. In these plans, if a vested employee moved to another employer, benefits from the prior employer—usually in the form of years of credited service—were transferred over to the new employer. The remaining participants covered under a portability provision had an option to cash out vested pension benefits valued at greater than \$3,500.

Postretirement survivor benefits

ERISA also requires defined benefit pension plans to make benefits available in a way such that a spouse receives at least 50 percent of the retiree's payments after the retiree's death (table 99). 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 the plan will have to make payments. 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 1991.⁴²

Joint-and-survivor annuities are based on an actuarial or arithmetic reduction of the employee's pension. Just over one-fourth of the participants had plans that offered only one joint-and-survivor option that pays a surviving spouse 50 percent of the retiree's adjusted pension. Nearly two-thirds of participants had a choice of two alternative percentages or more (frequently 50, 67, and 100 percent) to be continued to the spouse, with corresponding reductions in the employees' annuities.

Unlike joint-and-survivor annuities, survivor annuities based on the retiree's accrued benefit do not reduce the employee's pension to adjust for survivor benefits. Such plans cover 2 percent of participants.

Although defined benefit pension plans typically pay benefits as annuities covering the lives of the retiree and spouse, some plans offer the option of a lump-sum payment. This lump sum provides the employee with the actuarial equivalent of the annuity. Lump-sum payments at retirement, studied for the first time in the 1991 survey, were available to 14 percent of pension participants (table 96). In most plans, only a full lump-sum option was available. If a participant elects a full lump-sum distribution, he or she receives no further benefits from the pension plan. If a partial distribution is made, the participant generally receives a reduced annuity for the remainder of her or his life.

⁴² 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.

Preretirement survivor benefits

Virtually all defined benefit pension plan participants also had survivor benefits available in case the employee died before retirement (table 100). Participants usually had to be vested before plans would make such benefits available. For 88 percent of the participants, a surviving spouse would receive an annuity equivalent to the amount payable if the employee had retired on the day prior to death with a joint-and-survivor form of payment in effect. Most survivor pensions like these were based on an early retirement benefit and, aside from the joint-and-survivor reduction, were provided at no cost to the employee. For 8 percent of participants, however, preretirement joint-and-survivor protection involved an extra cost to the employee and was available only if elected. The employee normally paid this cost through a small deduction in the pension, ultimately payable to either the employee or the surviving spouse.

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

Employee contributions

The employer paid the full cost of defined benefit pension plans for 95 percent of participants. For employees who had to pay part of the cost, contributions were most commonly expressed as a percent of earnings. Participants in contributory plans often paid one rate (usually 2.5 to 4 percent) on earnings above a specified level, and a lower rate (or frequently zero) below that earnings level. The annual earnings level at which this break occurred was either a flat amount stated by the plan, or the Social Security taxable wage base (\$53,400 in 1991). Plans with varying employee contributions usually coordinated private benefits with Social Security payments, and as discussed earlier, pension benefit computation rates used in these plans are often higher on earnings above the Social Security taxable wage base. Most of the other participants in contributory plans paid a flat percent of all earnings, ranging from 1 to 5 percent.

Participation requirements

Three-tenths of the employees with defined benefit pension plans had immediate coverage when they were hired (table 101). Approximately one-fourth could participate regardless of age but had to meet a service requirement, seldom more than 1 year. The remaining employees generally could not enter the pension plan until they reached age 21 and completed 1 year of service; this was the most restrictive requirement permitted under the Internal Reve-

nue Code.⁴³ For 71 percent of employees with age or service requirements for plan participation, computation of pension benefits included service prior to formal entry into the plan.

⁴³ However, some plans, such as those 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 begins.

Table 82. Defined benefit pension plans:¹ Percent of full-time participants by method of determining retirement payments, medium and large private establishments, 1991

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	56	71	64	43
No alternative formula	38	47	47	28
Terminal earnings alternative	5	6	3	5
Career earnings alternative	3	3	4	2
Dollar amount alternative ³	10	14	10	7
Career earnings formula	14	15	18	11
No alternative formula	10	10	13	8
Career earnings alternative	(⁴)	1	(⁴)	(⁴)
Dollar amount alternative ³	4	4	4	3
Other alternative formula	(⁴)	-	(⁴)	-
Dollar amount formula ³	23	9	13	36
No alternative formula	21	9	11	33
Dollar amount alternative ³	2	(⁴)	2	3
Percent of contributions alternative	(⁴)	-	-	(⁴)
Percent of contributions formula	4	(⁴)	2	8
No alternative formula	4	(⁴)	2	8
Cash account	3	5	3	2
No alternative formula	3	5	3	2

- 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 83. Defined benefit pension plans:¹ Percent of full-time participants in plans with percent of terminal earnings benefit formulas by type and amount of formula, medium and large private establishments, 1991

Type and amount of formula ²	All participants	Professional, technical, and related participants	Clerical and sales participants	Production and service participants
Total	100	100	100	100
Flat percent per year of service	42	37	39	50
Less than 1.00	3	1	1	7
1.00-1.24	6	5	6	8
1.25-1.49	6	5	6	8
1.50-1.74	18	16	15	23
1.75-1.99	3	4	3	2
2.00-2.24	5	6	7	3
2.25-2.49	(³)	(³)	(³)	(³)
2.50-2.74	(³)	-	2	-
2.75 or greater	(³)	(³)	(³)	-
Percent per year varies:	57	63	61	49
By service	9	9	9	9
By earnings	36	42	38	29
By earnings and service	12	11	14	11
Other ⁴	1	1	(³)	1

- ¹ Excludes supplemental pension plans.
² If a plan contained more than one terminal earnings formula, a primary formula was selected and tabulated.
³ Less than 0.5 percent.
⁴ Includes formulas based on a flat percentage of earnings, some varying by length of service.

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

Table 84. Defined benefit pension plans:¹ Percent of full-time participants in plans with terminal earnings formulas by definition of terminal earnings, medium and large private establishments, 1991

Definition of terminal earnings	All participants	Professional, technical, and related participants	Clerical and sales participants	Production and service participants
Total	100	100	100	100
Three years	15	15	14	14
Last 3	2	3	2	2
High 3	1	2	1	1
Of last 10	(²)	(²)	(²)	(²)
Of career	1	2	1	1
High consecutive 3	11	10	11	11
Of last 5	1	(²)	(²)	1
Of last 10	7	9	8	6
Of career	3	1	3	4
Five years	82	82	83	82
Last 5	6	6	6	5
High 5	10	10	7	11
Of last 10	5	8	3	3
Of last 15	(²)	-	-	(²)
Of career	4	2	3	7
Other	1	1	1	1
High consecutive 5	67	65	70	66
Of last 10	52	51	54	51
Of last 15	1	(²)	(²)	1
Of career	13	13	12	12
Other	2	1	3	2
Other period ³	3	3	3	4

¹ Excludes supplemental pension plans.

² Less than 0.5 percent.

³ Formulas based on earnings during period other than 3 or 5 years' service, or period not immediately before retirement (for example, first 5 of last 10 years' service).

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

Table 85. Defined benefit pension plans:¹ Percent of full-time participants with earnings-based benefit formulas, by definition of earnings, medium and large private establishments, 1991

Definition of earnings	Total ²	Terminal earnings formula	Career earnings formula	Definition of earnings	Total ²	Terminal earnings formula	Career earnings formula
All participants				Clerical and sales			
Total	100	100	100	Total	100	100	100
Basic, or straight-time, earnings only	56	56	58	Basic, or straight-time, earnings only	56	60	48
Basic, or straight-time, earnings plus other earnings	44	44	42	Basic, or straight-time, earnings plus other earnings	44	40	52
Overtime	35	35	28	Overtime	33	30	40
Shift differentials	19	23	7	Shift differentials	15	18	8
Bonuses	30	27	36	Bonuses	31	25	45
Commissions	20	18	21	Commissions	17	13	25
Professional, technical, and related				Production and service			
Total	100	100	100	Total	100	100	100
Basic, or straight-time, earnings only	54	54	59	Basic, or straight-time, earnings only	56	55	66
Basic, or straight-time, earnings plus other earnings	46	46	41	Basic, or straight-time, earnings plus other earnings	44	45	34
Overtime	34	37	18	Overtime	36	37	27
Shift differentials	23	26	11	Shift differentials	20	25	3
Bonuses	27	24	31	Bonuses	33	32	32
Commissions	20	18	21	Commissions	21	20	18

¹ Excludes supplemental pension plans.

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

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

Table 86. Defined benefit pension plans:¹ Percent of full-time participants in plans with percent of career earnings benefit formulas by type and amount of formula, medium and large private establishments, 1991

Type and amount of formula ²	All participants	Professional, technical, and related participants	Clerical and sales participants	Production and service participants
Total	100	100	100	100
Flat percent per year of service	36	43	31	34
Less than 1.00	(³)	1	-	(³)
1.00-1.24	6	3	3	10
1.25-1.49	6	6	5	7
1.50-1.74	15	21	18	7
1.75-1.99	1	2	1	1
2.00-2.24	2	4	1	1
2.25-2.49	3	5	1	2
2.50-2.74	2	2	1	3
2.75 or greater	1	(³)	1	1
Percent per year varies:	60	50	63	66
By service	4	1	2	8
By earnings	51	46	54	52
By age	(³)	(³)	(³)	(³)
By earnings and service	5	3	7	5
Other ⁴	4	6	6	(³)

¹ Excludes supplemental pension plans.

² If a plan contained more than one career earnings formula, a primary formula was selected and tabulated.

³ Less than 0.5 percent.

⁴ Includes formulas based on a flat percentage of earnings, some varying by length of service.

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

Table 87. Defined benefit pension plans:¹ Percent of full-time participants in plans with dollar amount benefit formulas by type and amount of formula, medium and large private establishments, 1991

Type and amount of formula ²	Total	Provision for maximum benefit ³		Type and amount of formula ²	Total	Provision for maximum benefit ³	
		Subject to maximum	Not subject to maximum			Subject to maximum	Not subject to maximum
All participants				Production and service			
Total	100	100	100	Total	100	100	100
Flat monthly amount per year of service	95	91	97	Flat monthly amount per year of service	96	94	96
Less than \$5.00	1	2	-	Less than \$5.00	1	3	-
\$5.00-\$9.99	5	13	3	\$5.00-\$9.99	6	15	3
\$10.00-\$14.99	8	8	8	\$10.00-\$14.99	8	8	9
\$15.00-\$19.99	26	22	27	\$15.00-\$19.99	21	23	20
\$20.00-\$24.99	23	11	27	\$20.00-\$24.99	26	8	32
\$25.00-\$29.99	17	12	19	\$25.00-\$29.99	19	14	20
\$30.00-\$34.99	9	7	9	\$30.00-\$34.99	8	8	8
\$35.00-\$39.99	(⁴)	1	(⁴)	\$35.00-\$39.99	(⁴)	1	(⁴)
\$40.00-\$44.99	1	(⁴)	1	\$40.00-\$44.99	1	(⁴)	1
\$45.00-\$49.99	(⁴)	-	(⁴)	\$45.00-\$49.99	(⁴)	-	(⁴)
\$50.00-\$54.99	1	6	-	\$50.00-\$54.99	2	6	-
\$55.00-\$60.00	4	9	3	\$55.00-\$60.00	5	10	3
Amount per year varies by service ...	3	9	1	Amount per year varies by service ...	2	6	(⁴)
Amount per year varies by earnings	2	-	3	Amount per year varies by earnings	2	-	3
Flat monthly benefit varies by service	(⁴)	-	(⁴)	Flat monthly benefit varies by service	(⁴)	-	(⁴)

¹ Excludes supplemental pension plans.

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

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

⁴ Less than 0.5 percent.

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

Table 88. Defined benefit pension plans:¹ Percent of full-time participants by provision for integration of pension with Social Security benefit, medium and large private establishments, 1991

Provision	Type of benefit formula ²				Provision	Type of benefit formula ²			
	Total ³	Terminal earnings	Career earnings	Dollar amount		Total ³	Terminal earnings	Career earnings	Dollar amount
All participants					Clerical and sales				
Total	100	100	100	100	Total	100	100	100	100
With integrated formula	54	80	59	-	With integrated formula	66	84	63	-
Offset by Social Security payment ⁴	19	33	5	-	Offset by Social Security payment ⁴	23	34	5	-
Based on service ⁵	15	27	2	-	Based on service ⁵	17	27	(⁶)	-
Not based on service ⁷	4	6	3	-	Not based on service ⁷	6	7	5	-
Dollar amount	(⁶)	(⁶)	-	-	Dollar amount	(⁶)	(⁶)	-	-
Percent of payment	4	5	3	-	Percent of payment	6	7	5	-
Pure excess ⁸	1	1	2	-	Pure excess ⁸	(⁶)	(⁶)	1	-
Step-rate excess ⁹	35	47	53	-	Step-rate excess ⁹	45	51	56	-
Integrated with a Social Security breakpoint	25	35	32	-	Integrated with a Social Security breakpoint	33	39	38	-
Integrated with a specific dollar breakpoint	10	12	21	-	Integrated with a specific dollar breakpoint	12	12	18	-
Without integrated formula	46	20	41	100	Without integrated formula	34	16	37	100
Professional, technical, and related					Production and service				
Total	100	100	100	100	Total	100	100	100	100
With integrated formula	67	83	59	-	With integrated formula	39	74	56	-
Offset by Social Security payment ⁴	23	31	9	-	Offset by Social Security payment ⁴	15	33	2	-
Based on service ⁵	19	26	4	-	Based on service ⁵	13	28	2	-
Not based on service ⁷	4	5	6	-	Not based on service ⁷	2	5	-	-
Dollar amount	(⁶)	(⁶)	-	-	Dollar amount	(⁶)	(⁶)	-	-
Percent of payment	4	5	6	-	Percent of payment	2	5	-	-
Pure excess ⁸	3	4	(⁶)	-	Pure excess ⁸	(⁶)	(⁶)	3	-
Step-rate excess ⁹	44	50	49	-	Step-rate excess ⁹	25	42	53	-
Integrated with a Social Security breakpoint	33	38	34	-	Integrated with a Social Security breakpoint	16	30	25	-
Integrated with a specific dollar breakpoint	11	12	15	-	Integrated with a specific dollar breakpoint	9	13	28	-
Without integrated formula	33	17	41	100	Without integrated formula	61	26	44	100

¹ Excludes supplemental pension plans.

² If a plan contained more than one benefit formula based on terminal earnings, career earnings, or dollar amounts, each integrated formula was tabulated. Participants were included as under nonintegrated formulas only if none of the formulas was integrated.

³ Includes plans with benefit formulas based on a percent of employee or employer contributions and cash account plans.

⁴ Benefit as calculated by formula is reduced by portion of primary Social Security payments.

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

⁶ Less than 0.5 percent.

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

⁸ Formula does not apply to earnings subject to FICA (Social Security) taxes or below a specific dollar breakpoint.

⁹ Formula applies lower benefit rate to earnings subject to FICA (Social Security) taxes or below a specific dollar breakpoint.

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

Table 89. Defined benefit pension plans:¹ Percent of full-time participants by maximum benefit provisions,² medium and large private establishments, 1991

Maximum benefit provision	Type of benefit formula ³				Maximum benefit provision	Type of benefit formula ³			
	Total ⁴	Terminal earnings	Career earnings	Dollar amount		Total ⁴	Terminal earnings	Career earnings	Dollar amount
All participants					Clerical and sales				
Total	100	100	100	100	Total	100	100	100	100
Subject to maximum	39	55	13	24	Subject to maximum	49	66	10	32
Limit on years of credited service ...	37	52	13	22	Limit on years of credited service ...	47	63	9	32
Less than 20	1	(⁵)	(⁵)	3	Less than 20	2	1	-	6
20	1	(⁵)	-	1	20	(⁵)	(⁵)	-	1
25	3	2	(⁵)	4	25	1	1	(⁵)	2
26-29	(⁵)	(⁵)	-	(⁵)	26-29	1	1	-	-
30	11	16	1	8	30	12	17	1	11
31-34	2	1	7	-	31-34	3	2	7	-
35	12	20	3	3	35	17	24	1	10
36-39	(⁵)	(⁵)	(⁵)	-	36-39	(⁵)	(⁵)	(⁵)	-
40	7	11	(⁵)	3	40	10	15	-	2
41-44	(⁵)	(⁵)	-	(⁵)	41-44	(⁵)	1	-	(⁵)
45	1	(⁵)	1	1	45	1	(⁵)	1	(⁵)
Other maximum ⁶	4	5	1	3	Other maximum ⁶	3	4	1	(⁵)
Not subject to maximum	61	45	87	76	Not subject to maximum	51	34	90	68
Professional, technical, and related					Production and service				
Total	100	100	100	100	Total	100	100	100	100
Subject to maximum	44	57	16	14	Subject to maximum	31	46	14	25
Limit on years of credited service ...	43	54	16	14	Limit on years of credited service ...	28	41	13	22
Less than 20	1	(⁵)	-	4	Less than 20	(⁵)	(⁵)	(⁵)	1
20	(⁵)	(⁵)	-	(⁵)	20	1	1	-	2
25	2	3	(⁵)	(⁵)	25	3	2	-	6
30	14	19	2	6	26-29	(⁵)	-	-	(⁵)
31-34	3	2	9	-	30	9	14	(⁵)	8
35	15	21	5	2	31-34	1	(⁵)	6	-
36-39	(⁵)	(⁵)	(⁵)	-	35	8	15	4	2
40	7	9	-	2	36-39	(⁵)	(⁵)	-	-
41-44	(⁵)	(⁵)	-	(⁵)	40	5	9	1	3
45	(⁵)	(⁵)	-	(⁵)	41-44	(⁵)	(⁵)	-	(⁵)
Other maximum ⁶	3	3	1	1	45	1	(⁵)	2	1
Not subject to maximum	56	43	84	86	Other maximum ⁶	5	6	1	4
					Not subject to maximum	69	54	86	75

¹ Excludes supplemental pension plans.

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

³ If a plan contained more than one benefit formula based on terminal earnings, career earnings, or dollar amounts, each formula containing a maximum benefit provision was tabulated. Participants were included as under formulas without maximum benefit provisions only if none of the formulas contained a maximum.

⁴ Includes plans with benefit formulas based on a percent of employee or employer contributions and cash account plans.

⁵ Less than 0.5 percent.

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

NOTE: Sums of individual items may not equal totals because more than one benefit formula within a plan may have a maximum benefit provision. Also, some benefit formulas contain a limit on years of credited service and another maximum provision. Where applicable, dash indicates no employees in this category.

Table 90. Defined benefit pension plans:¹ Average replacement rates for specified final earnings and years of service for retirement at age 65,² medium and large private establishments, 1991

Final annual earnings	Years of plan participation ³						
	10	15	20	25	30	35	40
Private pension only							
All participants							
\$15,000	14.2	20.9	27.4	33.6	39.3	44.4	49.0
\$25,000	12.0	17.6	22.9	27.8	32.5	36.7	40.2
\$35,000	11.2	16.3	21.4	26.2	30.8	34.7	37.9
\$45,000	10.8	16.0	20.9	25.7	30.2	33.9	36.8
\$55,000	10.8	15.9	20.8	24.8	29.0	32.6	35.4
\$65,000	10.8	15.9	20.1	24.7	29.1	32.7	35.3
Professional, technical, and related							
\$15,000	13.0	19.1	24.8	30.2	35.3	39.8	43.7
\$25,000	12.1	17.7	22.8	27.6	32.4	36.5	39.9
\$35,000	11.9	17.3	22.6	27.8	32.8	36.9	40.0
\$45,000	11.9	17.6	23.1	28.4	33.4	37.5	40.5
\$55,000	12.1	17.9	23.5	27.8	32.6	36.6	39.5
\$65,000	12.4	18.3	22.9	28.2	33.3	37.4	40.3
Clerical and sales							
\$15,000	13.8	20.2	26.2	31.9	37.1	41.8	45.7
\$25,000	12.6	18.3	23.5	28.4	33.0	37.1	40.2
\$35,000	12.2	17.6	22.8	27.8	32.6	36.6	39.4
\$45,000	12.0	17.6	22.9	28.0	32.8	36.6	39.3
\$55,000	12.1	17.8	23.2	26.7	31.1	34.8	37.4
\$65,000	12.3	18.0	22.0	26.9	31.7	35.4	38.0
Production and service							
\$15,000	15.1	22.4	29.7	36.6	42.8	48.6	53.9
\$25,000	11.7	17.2	22.5	27.5	32.2	36.5	40.5
\$35,000	10.3	15.1	19.8	24.3	28.6	32.4	35.8
\$45,000	9.6	14.1	18.6	22.8	26.8	30.3	33.3
\$55,000	9.3	13.6	17.9	22.0	25.8	29.1	31.9
\$65,000	9.1	13.3	17.5	21.4	25.1	28.3	31.0
Combined private pension and primary⁴ Social Security benefit							
All participants							
\$15,000	41.1	52.5	63.8	74.6	85.0	92.1	96.6
\$25,000	32.1	42.5	52.4	62.0	71.1	77.5	81.1
\$35,000	28.5	38.3	47.4	56.0	62.9	67.6	70.8
\$45,000	26.5	35.6	43.7	50.7	56.4	60.6	63.7
\$55,000	24.4	32.7	40.2	45.6	50.8	54.9	57.7
\$65,000	22.3	30.1	36.6	42.3	47.5	51.5	54.2
Professional, technical, and related							
\$15,000	39.9	50.7	61.1	71.2	81.1	87.5	91.4
\$25,000	32.2	42.6	52.4	61.9	71.0	77.3	80.8
\$35,000	29.2	39.3	48.7	57.6	64.9	69.7	73.0
\$45,000	27.5	37.2	45.9	53.4	59.6	64.2	67.3
\$55,000	25.7	34.8	43.0	48.7	54.3	58.9	61.8
\$65,000	23.8	32.5	39.3	45.8	51.7	56.2	59.1
Clerical and sales							
\$15,000	40.7	51.7	62.5	72.9	82.9	89.5	93.4
\$25,000	32.7	43.1	53.1	62.6	71.6	77.9	81.1
\$35,000	29.4	39.5	48.8	57.6	64.7	69.4	72.4
\$45,000	27.6	37.2	45.7	53.0	59.0	63.4	66.1
\$55,000	25.7	34.6	42.6	47.5	52.8	57.1	59.7
\$65,000	23.8	32.3	38.4	44.5	50.1	54.3	56.8

See footnotes at end of table.

Table 90. Defined benefit pension plans:¹ Average replacement rates for specified final earnings and years of service for retirement at age 65,² medium and large private establishments, 1991—Continued

Final annual earnings	Years of plan participation ³						
	10	15	20	25	30	35	40
	Combined private pension and primary ⁴ Social Security benefit						
Production and service							
\$15,000	42.0	54.0	66.0	77.6	88.6	96.2	101.6
\$25,000	31.8	42.0	52.1	61.8	70.8	77.3	81.4
\$35,000	27.6	37.0	45.8	54.1	60.7	65.3	68.7
\$45,000	25.2	33.7	41.4	47.9	53.0	57.0	60.1
\$55,000	22.8	30.5	37.3	42.8	47.6	51.3	54.2
\$65,000	20.6	27.6	33.9	39.1	43.6	47.2	49.8

¹ Excludes supplemental pension plans.

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

These calculations assume employees retired on January 1, 1991, and final earnings are for 1990. Earnings histories, necessary for applying the pension formulas, were constructed for each final earnings level based on data provided by the Social Security Administration.

For pension formulas that are integrated with Social Security and for computation of Social Security benefits, the worker is assumed to have retired at age 65 after having paid into Social Security for the same number of years as years of participation used for pension calculations. Computations exclude participants in cash account pension plans or plans with benefits based on career contributions.

³ Time spent satisfying service requirements for plan participation was excluded from the calculation of replacement rates, unless the pension plan specified that such time was to be included in benefit computations.

⁴ Excludes benefits for spouses and other dependents.

Table 91. Defined benefit pension plans:¹ Average replacement rates for specified final earnings and years of service for retirement at age 55,² medium and large private establishments, 1991

Final annual earnings	Years of plan participation ³						
	10	15	20	25	30	35	40
Private pension only							
All participants							
\$15,000	7.7	11.7	16.6	20.8	26.8	30.7	34.3
\$25,000	6.7	10.2	14.0	17.4	21.9	24.9	27.6
\$35,000	6.4	9.6	13.1	16.3	20.4	23.2	25.7
\$45,000	6.2	9.4	12.8	16.1	19.9	22.7	25.0
\$55,000	6.2	9.5	12.8	15.7	19.3	22.0	24.2
\$65,000	6.3	9.6	12.5	15.7	19.4	22.0	24.1
Professional, technical, and related							
\$15,000	7.2	11.4	15.6	19.6	24.6	28.0	31.0
\$25,000	6.7	10.5	14.2	17.8	21.9	24.7	27.3
\$35,000	6.6	10.3	13.9	17.5	21.6	24.4	26.9
\$45,000	6.6	10.3	14.0	17.8	21.9	24.7	27.1
\$55,000	6.7	10.5	14.3	17.6	21.5	24.4	26.7
\$65,000	6.9	10.7	13.9	17.9	22.0	24.8	27.1
Clerical and sales							
\$15,000	7.1	10.8	16.1	20.2	25.5	29.0	32.0
\$25,000	6.6	10.1	14.2	17.7	21.9	24.7	27.0
\$35,000	6.5	10.0	13.6	16.9	21.0	23.7	25.8
\$45,000	6.5	10.0	13.5	16.8	20.9	23.5	25.5
\$55,000	6.6	10.2	13.6	16.3	20.0	22.6	24.4
\$65,000	6.8	10.4	12.9	16.3	20.3	22.8	24.7
Production and service							
\$15,000	8.4	12.4	17.6	21.9	28.9	33.5	37.8
\$25,000	6.8	9.9	13.7	17.0	21.8	25.1	28.2
\$35,000	6.2	9.0	12.3	15.1	19.3	22.2	24.9
\$45,000	5.8	8.5	11.6	14.4	18.1	20.8	23.3
\$55,000	5.7	8.4	11.3	14.0	17.5	20.0	22.4
\$65,000	5.6	8.3	11.2	13.8	17.1	19.6	21.9

¹ Excludes supplemental pension plans.

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

These calculations assume employees retired on January 1, 1991 and final earnings are for 1990. Earnings histories, necessary for applying the

pension formulas, were constructed for each final earnings level based on data provided by the Social Security Administration. Computations exclude participants in cash account pension plans or plans with benefits based on career contributions.

³ Time spent satisfying service requirements for plan participation was excluded from the calculation of replacement rates, unless the pension plan specified that such time was to be included in benefit computations.

Table 92. Defined benefit pension plans:¹ Percent of full-time participants by minimum age and associated service requirements for normal retirement,² medium and large private establishments, 1991

Age and service requirement ³	All participants	Professional, technical, and related participants	Clerical and sales participants	Production and service participants	Age and service requirement ³	All participants	Professional, technical, and related participants	Clerical and sales participants	Production and service participants
Total	100	100	100	100	Age 62	24	22	23	26
No age requirement	8	7	7	9	No service requirement	6	4	3	8
Fewer than 30 years' service ..	(⁴)	(⁴)	(⁴)	(⁴)	5 years' service	5	5	4	5
30 years' service	7	6	6	8	10 years' service	7	5	4	9
More than 30 years' service ...	1	1	1	2	11-14 years' service	(⁴)	(⁴)	(⁴)	(⁴)
Age 51-54	(⁴)	-	-	(⁴)	15 or 20 years' service	4	4	6	2
30 years' service	(⁴)	-	-	(⁴)	25 years' service	1	1	1	1
Age 55	2	3	2	2	26-29 years' service	(⁴)	-	-	(⁴)
No service requirement	(⁴)	(⁴)	(⁴)	(⁴)	30 years' service	2	2	3	1
Fewer than 30 years' service ..	1	2	(⁴)	1	More than 30 years' service ...	(⁴)	1	(⁴)	(⁴)
30 years' service	1	1	1	1	Age 63-64	1	(⁴)	3	1
More than 30 years' service ...	(⁴)	-	(⁴)	(⁴)	No service requirement	1	(⁴)	2	(⁴)
Age 56-59	1	1	1	2	15 years' service	(⁴)	-	(⁴)	1
15 or 20 years' service	(⁴)	(⁴)	(⁴)	(⁴)	20 years' service	(⁴)	-	1	(⁴)
30 years' service	1	1	1	2	Age 65	45	45	47	44
Age 60	12	14	11	11	No service requirement	30	31	33	27
No service requirement	2	4	1	1	5 years' service	10	11	11	10
1-4 years' service	(⁴)	(⁴)	(⁴)	(⁴)	10 years' service	4	3	3	5
5 years' service	3	3	3	3	20 years' service	(⁴)	(⁴)	-	(⁴)
10 years' service	2	2	2	2	25 years' service	1	(⁴)	(⁴)	2
15 years' service	1	2	2	1	Sum of age plus service ⁵	6	9	6	5
20 years' service	(⁴)	(⁴)	(⁴)	(⁴)	Equals fewer than 80	1	2	1	1
25 years' service	1	(⁴)	(⁴)	1	Equals 80	1	2	2	(⁴)
30 years' service	2	2	2	2	Equals 85	3	3	2	3
More than 30 years' service ...	(⁴)	(⁴)	-	(⁴)	Equals 90	1	1	1	(⁴)
Age 61	(⁴)	(⁴)	(⁴)	(⁴)	Equals 91-94	(⁴)	(⁴)	(⁴)	(⁴)
5 years' service	(⁴)	(⁴)	(⁴)	(⁴)	Equals 95	(⁴)	(⁴)	(⁴)	(⁴)
15 years' service	(⁴)	(⁴)	-	(⁴)					

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 93. Defined benefit pension plans:¹ Percent of full-time participants by minimum age and associated service requirements for early retirement,² medium and large private establishments, 1991

Age and service requirement ³	All participants	Professional, technical, and related participants	Clerical and sales participants	Production and service participants	Age and service requirement ³	All participants	Professional, technical, and related participants	Clerical and sales participants	Production and service participants
Total	100	100	100	100	Age 55—Continued				
Participants in plans permitting early retirement	98	97	98	98	20 years' service	1	1	1	1
No age requirement	7	5	3	10	25 years' service	(⁴)	-	1	1
Fewer than 30 years' service	(⁴)	(⁴)	1	1	Age 56-59	1	-	1	1
30 years' service	6	5	3	9	15 years' service	(⁴)	-	(⁴)	1
More than 30 years' service	(⁴)	(⁴)	(⁴)	(⁴)	20 years' service	(⁴)	-	(⁴)	1
Less than age 55	8	8	12	7	Age 60	6	5	2	8
No service requirement ⁵	1	1	2	1	No service requirement ⁵	(⁴)	(⁴)	(⁴)	(⁴)
Less than 20 years' service	3	3	4	2	1-5 years' service	1	1	(⁴)	1
20 or more years' service	4	4	7	4	10 years' service	4	3	1	5
Age 55	68	69	75	63	15 years' service	1	(⁴)	1	2
No service requirement ⁵	5	7	6	5	Age 62	2	(⁴)	(⁴)	3
1-4 years' service	1	(⁴)	1	2	10 years' service	2	(⁴)	(⁴)	3
5 years' service	17	21	20	13	Sum of age plus service ⁶	6	10	5	5
6-9 years' service	1	(⁴)	(⁴)	1	Equals 70 or fewer	2	3	2	1
10 years' service	32	33	35	30	Equals 75	(⁴)	1	(⁴)	(⁴)
11-14 years' service	(⁴)	(⁴)	(⁴)	(⁴)	Equals 76-79	1	1	(⁴)	1
15 years' service	10	7	12	11	Equals 80	2	3	2	1
					Equals 85	1	2	1	1
					Equals 90 or more	(⁴)	1	-	1
					Participants in plans without early retirement	2	3	2	2

¹ Excludes supplemental pension plans.

² Early retirement is defined as the point at which a worker could retire and immediately receive accrued benefits based on service and earnings but reduced for each year prior to normal retirement age.

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 Where no service requirement is specified for early retirement, the service required for full vesting, usually 5 years, applies.

⁶ In most plans, participants must also satisfy a minimum age or service requirement.

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

Table 94. Defined benefit pension plans:¹ Percent of full-time participants in plans permitting early retirement by reduction factor for immediate start of payments, medium and large private establishments, 1991

Reduction for each year prior to normal retirement age	All participants	Professional, technical, and related participants	Clerical and sales participants	Production and service participants
Total	100	100	100	100
Uniform percentage ²	47	43	41	51
Less than 3.0	3	4	2	3
3.0	6	5	7	6
3.1-3.9	1	2	1	1
4.0	8	10	8	7
4.1-4.9	1	1	2	1
5.0	8	10	9	7
6.0	15	10	10	21
6.1-6.6	1	1	1	1
6.7	2	1	1	3
6.8-7.1	(³)	-	(³)	(³)
7.2	(³)	(³)	(³)	1
7.3 or more	1	(³)	1	1
Percentage varies by age	49	51	53	46
Reduction differs for each year of early retirement ⁴	23	21	21	25
Reduction differs by age bracket ⁵	26	30	32	21
Percentage varies by service	3	5	4	2
Other basis ⁶	1	2	1	(³)

¹ Excludes supplemental pension plans.

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

³ Less than 0.5 percent.

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

⁵ Rate of reduction is held constant within age brackets, but differs among brackets, sometimes in approximation of an actuarial table. For example, benefits may be reduced by 6 percent for each year between age 60 and the plan's normal retirement age, and by 3 percent for each year retirement precedes age 60. Also includes some plans which reduce benefits arithmetically for each year immediately below normal retirement age and actuarially below a specified age, usually 55.

⁶ Reduced amount was not derived from normal retirement formula.

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

Table 95. Defined benefit pension plans:¹ Percent of full-time participants by provisions for disability retirement, medium and large private establishments, 1991

Characteristic	All participants	Professional, technical, and related participants	Clerical and sales participants	Production and service participants
Total with disability retirement benefits	79	75	74	84
Minimum requirements for disability retirement²				
Total	100	100	100	100
No minimum requirement	20	15	18	23
No age requirement	54	50	42	61
1 year's service	(³)	1	1	(³)
2-4 years' service	(³)	(³)	(³)	(³)
5 years' service	9	11	8	8
6-9 years' service	(³)	(³)	-	-
10 years' service	30	24	19	38
11-14 years' service	(³)	1	(³)	-
15 years' service	15	14	15	15
Less than age 40	(³)	(³)	1	(³)
10 years' service	(³)	(³)	1	(³)
Age 40-49	2	4	3	1
No service requirement	(³)	1	(³)	(³)
10 years' service	1	3	(³)	(³)
More than 10 years' service	1	1	2	1
Age 50 or more	5	6	7	4
No service requirement	(³)	(³)	(³)	-
Less than 10 years' service	1	1	(³)	1
10 years' service	3	4	5	1
More than 10 years' service	2	1	2	2
Receipt of long-term disability benefits	18	25	28	11
Benefit provisions				
Total	100	100	100	100
Immediate disability retirement ⁴	63	54	53	71
Unreduced normal formula ⁵	46	40	39	52
Reduced normal formula ⁶	12	12	11	12
Other than normal formula ⁷	5	1	3	7
Deferred disability retirement	37	46	47	28
With benefits based on:				
Service when disabled	8	7	7	9
Service plus credit to retirement date	28	36	39	18
Service with some credit	(³)	(³)	(³)	(³)
Not based on service	1	2	1	1

¹ Excludes supplemental pension plans.

² 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.

³ Less than 0.5 percent.

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

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

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

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

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

Table 96. Defined benefit pension plans:¹ Percent of full-time participants by selected plan features, medium and large private establishments, 1991

Item	All participants	Professional, technical, and related participants	Clerical and sales participants	Production and service participants
Portability of plan benefits	9	8	10	9
Lump sum distribution of pension benefits at retirement allowed	14	15	15	12
Lump sum payment or ad hoc pension increase provided between 1986-1990	7	9	7	7
Cost-of-living increases provided	5	5	6	4

¹ Excludes supplemental pension plans.

Table 97. Defined benefit pension plans:¹ Percent of full-time participants by type of vesting schedule, medium and large private establishments, 1991

Type of vesting schedule	All participants	Professional, technical, and related participants	Clerical and sales participants	Production and service participants
Total ²	100	100	100	100
Cliff vesting ³	92	92	91	94
Full vesting:				
At any age	85	81	81	90
Less than 5 years' service	(⁴)	(⁴)	(⁴)	(⁴)
5 years' service	69	72	71	67
6-9 years' service	(⁴)	(⁴)	(⁴)	-
10 years' service	16	9	9	23
After specified age ⁵	7	9	9	4
5 years' service	6	9	9	4
10 years' service	(⁴)	(⁴)	(⁴)	(⁴)
Sum of age plus service	1	1	1	(⁴)
Graduated vesting ⁶	8	8	9	6
Full vesting after:				
Less than 7 years' service	1	1	2	(⁴)
7 years' service	4	4	5	3
10 years' service	2	3	1	3
Other ⁷	(⁴)	(⁴)	1	(⁴)

¹ Excludes supplemental pension plans.

² Because plans may adopt alternative vesting schedules, sums of participants covered by individual vesting schedules may exceed 100 percent.

³ Under a cliff vesting schedule, an employee is not entitled to any benefits accrued under a pension plan until satisfying the requirement for 100-percent vesting. The Employee Retirement Income Security Act (ERISA) specifies 10 years as the maximum requirement for this form of vesting. As a consequence of the Tax Reform Act of 1986, sponsors of most single-employer plans who adopt this form of vesting must convert to a 5-year schedule during 1989. Collectively bargained single-employer plans must comply by the earlier of: (1) the expiration date of the collective bargaining agreement, or (2) January 1, 1991.

⁴ Less than 0.5 percent.

⁵ Sponsors may exclude years of service completed before age 18 from counting towards satisfaction of minimum vesting standards.

⁶ Graduated vesting schedules give an employee rights to a gradually increasing share of pension benefits determined by years of service, eventually reaching 100-percent vesting status. During 1989, as a result of the Tax Reform Act of 1986, sponsors of most single-employer plans who adopt this form of vesting must alter their schedule to provide full vesting by the end of 7 years of service.

⁷ Participants in this group were in plans which call for 50-percent vesting after 5 years of service if age plus service equals 45. Thereafter, the vested percentage increases 10 percentage points each of the next 5 years.

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

Table 98. Defined benefit pension plans:¹ Percent of full-time participants with provision for early receipt of deferred vested benefits² by comparison of reduction factors with early retirement, medium and large private establishments, 1991

Reduction for each year prior to normal retirement age	All participants			Professional, technical, and related participants			Clerical and sales participants			Production and service participants		
	Total	Reduction factor for early retirement is--		Total	Reduction factor for early retirement is--		Total	Reduction factor for early retirement is--		Total	Reduction factor for early retirement is--	
		Same	Different		Same	Different		Same	Different		Same	Different
Total	100	49	51	100	45	55	100	45	55	100	53	47
Uniform percentage ³	34	24	10	29	16	12	30	20	11	38	30	8
Less than 3.0	1	1	-	(⁴)	(⁴)	-	(⁴)	(⁴)	-	1	1	-
3.0	5	3	2	5	2	3	5	4	1	5	4	1
3.1-3.9	1	1	-	(⁴)	(⁴)	-	1	1	-	1	1	-
4.0	4	4	1	6	4	2	4	4	(⁴)	4	3	(⁴)
4.1-4.9	1	1	-	1	1	-	1	1	-	(⁴)	(⁴)	-
5.0	4	3	1	4	2	2	5	4	1	4	2	1
6.0	13	9	4	9	4	5	9	4	5	18	15	3
6.1-6.6	1	1	(⁴)	1	1	(⁴)	1	1	-	1	(⁴)	(⁴)
6.7	2	2	(⁴)	2	1	(⁴)	1	1	(⁴)	3	3	1
More than 6.7	2	1	2	1	(⁴)	(⁴)	3	(⁴)	3	3	1	2
Percentage varies by age ...	65	25	40	70	28	42	69	25	44	60	23	37
Reduction differs for each year of early retirement ⁵	47	11	35	50	12	38	48	9	39	44	12	32
Reduction differs by age bracket ⁶	18	13	5	20	16	4	21	16	5	16	11	5
Percentage varies by service	1	(⁴)	(⁴)	1	1	(⁴)	(⁴)	(⁴)	(⁴)	1	(⁴)	1
Other basis ⁷	(⁴)	-	(⁴)	-	-	-	-	-	-	(⁴)	-	(⁴)

¹ Excludes supplemental pension plans.

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

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

⁴ Less than 0.5 percent.

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

⁶ Rate of reduction is held constant within age brackets, but differs

among brackets, sometimes in approximation of an actuarial table. For example, benefits may be reduced by 6.7 percent for each year between age 60 and the plan's normal retirement age, and by 3.3 percent for each year retirement preceded age 60. Also includes some plans that reduce benefits arithmetically for each year immediately below normal retirement age and actuarially below a specified age, usually 55.

⁷ Reduced benefit was not derived from normal retirement formula.

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

Table 99. Defined benefit pension plans:¹ Percent of full-time participants by type of postretirement survivor annuity, medium and large private establishments, 1991

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
Spouse's share of joint-and-survivor annuity ² only	97	99	99	96
50 percent of retiree's pension ...	27	19	25	32
51-99 percent of retiree's pension	4	2	2	5
100 percent of retiree's pension ..	2	1	1	3
Alternative percentages at retiree's option ³	65	76	71	55
Spouse's share of joint-and-survivor annuity plus portion of retiree's pension	(⁴)	(⁴)	(⁴)	1
Portion of retiree's accrued pension only	2	1	1	4

¹ Excludes supplemental pension plans.

² An annuity that provides income during the lifetime of both the retiree and the surviving spouse. The accrued pension will usually be actuarially reduced at retirement because of the longer length of time that payments are expected to be made. Employees and their spouses are required to waive the spouse annuity in writing if they desire a pension during the employee's lifetime only or another option offered by the plan, such as guarantee of payments for a specified period.

³ Alternate percentages were usually 50, 67, or 100 percent.

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 100. Defined benefit pension plans:¹ Percent of full-time participants by type of preretirement survivor annuity, medium and large private establishments, 1991

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
Preretirement survivor annuity provided	99	99	99	99
Equivalent of joint-and-survivor annuity ²	88	89	90	86
Based on early retirement ³	83	84	84	82
Less than 50 percent of employee pension	(⁴)	(⁴)	(⁴)	(⁴)
50 percent of employee pension	73	74	74	72
At extra employee cost ⁵ ...	7	5	5	9
51-99 percent of employee pension	3	4	3	3
100 percent of employee pension	2	2	2	2
Alternative percentages of pension at employee's option ⁶	5	3	4	5
At extra employee cost ⁵ ...	1	1	1	1
Based on normal retirement ⁷ ...	5	5	6	4
Portion of accrued employee benefit	11	10	9	12
Reduced for early retirement	5	4	3	7
Unreduced for early retirement	4	4	4	4
Based on service projected to normal retirement date	2	2	2	2
Other annuity ⁸	(⁴)	(⁴)	(⁴)	1
No preretirement survivor annuity provided	1	1	1	1

¹ Excludes supplemental pension plans.

² The spouse annuity is computed as if the employee had retired with a joint-and-survivor annuity. That is, the accrued pension is first reduced because of the longer length of time that payments were expected to be made to both the retiree and the surviving spouse. The spouse's share is then the specified percent of the reduced amount.

³ Survivor annuity is based upon the benefit the employee would have received if early retirement had occurred on the date of death.

⁴ Less than 0.5 percent.

⁵ Plan reduces the accrued employee pension benefit for each year survivor protection is in force.

⁶ Alternative percentages were usually 50 or 100 percent.

⁷ Survivor annuity is based on the benefit the employee would have received if eligible for normal retirement on the date of death.

⁸ Includes annuity based on a dollar amount formula or percent of earnings.

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

Table 101. Defined benefit pension plans:¹ Percent of full-time participants by age and length-of-service requirements for participation,² medium and large private establishments, 1991

Age and service requirement provision ³	All participants	Professional, technical, and related participants	Clerical and sales participants	Production and service participants
Total	100	100	100	100
Plan participation available to new employees	100	100	100	100
With minimum age and/or service requirement	71	71	81	65
Service requirement only	26	23	21	30
3 months or less	2	2	2	3
4-5 months	1	(⁴)	1	1
6 months	2	1	1	2
1 year	21	20	17	23
13-23 months	(⁴)	(⁴)	(⁴)	(⁴)
2 years	(⁴)	-	(⁴)	(⁴)
Age 20 or less	1	1	1	1
No service requirement	(⁴)	(⁴)	(⁴)	(⁴)
1 year of service	(⁴)	(⁴)	(⁴)	(⁴)
Age 21 ⁵	41	44	54	33
No service requirement	4	2	4	6
1-6 months of service	1	(⁴)	1	1
7-11 months	(⁴)	(⁴)	(⁴)	(⁴)
1 year of service	36	41	49	26
Age 22 or older	3	4	4	1
No service requirement	(⁴)	(⁴)	(⁴)	(⁴)
1-11 months of service	(⁴)	(⁴)	(⁴)	(⁴)
1 year of service	2	3	4	1
Over 1 year of service	(⁴)	(⁴)	-	-
Without minimum age and/or service requirement	29	29	19	35
Participation not available to new employees	(⁴)	(⁴)	(⁴)	(⁴)

¹ Excludes supplemental pension plans.

² Excludes administrative time lags.

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

⁴ Less than 0.5 percent.

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

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

Chapter 7. Defined Contribution Plans

Defined contribution plans generally specify the level of employer contributions to a plan, but not the formula for determining eventual benefits as in a defined benefit pension plan. Instead, individual accounts are set up for participants, and benefits depend on amounts credited to these accounts, plus investment earnings. Although employers normally guarantee they will make contributions, the employee bears the risk of fluctuation in investment earnings.

In 1991, 48 percent of the full-time employees in medium and large private establishments—approximately 14.8 million employees—participated in one defined contribution plan or more. Fifty-five percent of the white-collar workers, compared to 39 percent of the blue-collar workers, participated in these plans.

Key details from the 1991 data on defined contribution plans include:

- 44 percent of full-time employees were enrolled in a plan with a cash or deferred arrangement (popularly known as a 401(k) plan);
- 29 percent of full-time employees participated in a savings and thrift plan, the most prevalent defined contribution plan available;
- The most common employer matching rate in a savings and thrift plan was 50 percent, up to the first 6 percent of earnings saved by the employee;
- Most savings and thrift plan participants who were offered a choice of investment vehicles could choose from among three or more options;
- 45 percent of full-time participants in savings and thrift plans were allowed to borrow from their accounts.

Plan types

Defined contribution plans may be divided into those designed to provide retirement benefits and those intended for capital accumulation. Retirement plans, as defined in this study, do not allow withdrawal of employer contributions until retirement age, death, disability, separation from service, age 59^{1/2}, or hardship. Capital accumulation

plans, on the other hand, impose less stringent restrictions for withdrawal of employer contributions, for example, permitting one or two withdrawals per year, or allowing withdrawal after 2 or 5 years of service.⁴⁴

Defined contribution retirement plans enrolled 39 percent of the employees covered by the survey. Taken together with participants in defined benefit pension plans (which, as described in chapter 6, are always for retirement purposes), 78 percent of employees surveyed participated in at least one retirement plan.

Participation in capital accumulation plans was not widespread. Nine percent of employees were in such plans, and for all but 1 percent, this only supplemented a defined benefit or defined contribution retirement plan (table 102). The combined incidence of retirement and capital accumulation plans was slightly lower than that recorded in the 1989 survey.

Defined contribution plans may also be classified by type of plan (table 103). The survey provided data on the following types: Savings and thrift plans (with 29 percent of full-time employees participating); profit-sharing plans (16 percent); money purchase pension plans (7 percent); employee stock ownership plans (3 percent); and stock bonus plans (less than one-half of 1 percent).⁴⁵ Plans that allowed the purchase of company stock at below market price (stock purchase plans), or that allowed the purchase of stock in the future at a designated price (stock option plans) applied to very few workers. Savings and thrift and money purchase pension plans were more common among white-collar workers, and profit-sharing plans more often prevailed among blue-collar workers.

⁴⁴ Note that most defined contribution plans serve to provide retirement income or to accumulate financial assets. Capital accumulation plans may furnish retirement income because withdrawals of the employer's contributions are voluntary, not mandatory. Similarly, defined contribution retirement plans can be used to accumulate assets, because these plans nearly always permit preretirement withdrawals of the employer's contributions (for example, at age 59^{1/2}, upon termination of employment prior to retirement, or upon disability). Many of these plans also permit employees to receive a lump sum, rather than an annuity, upon retirement.

⁴⁵ 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 specifies employer or employee and employer contributions to a trust fund that invests in various securities. Employee stock ownership plans are generally wholly employer financed, and they are designed to distribute company stock to employees periodically. Savings and thrift and profit-sharing plans are described later in this chapter.

Thirty-five percent of participants in defined contribution retirement plans had all contributions to these plans made by the employer. In contrast, only 23 percent of the participants in capital accumulation plans had all contributions made by the employer. A large majority of capital accumulation plans were savings and thrift plans, which involve employer matching of employee contributions.

Forty percent of participants in all retirement and capital accumulation plans were enrolled in more than one plan. When more than one plan was available, the employer most often combined a defined benefit pension plan and a savings and thrift plan. In fact, about one-half of participants in savings and thrift plans also participated in other plans. Just over one-half of participants in profit-sharing plans and nearly one-third of participants in money purchase pension plans took part in another retirement or capital accumulation plan (table 104).

Cash or deferred arrangements

Plans with a cash or deferred arrangement enrolled 44 percent of the employees within the scope of the survey, up from 41 percent in 1989 (table 105).⁴⁶ 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 pretax basis.

Salary reduction plans, with 40 percent of employees participating, allow employees to contribute a part of their earnings to a retirement plan, and defer income taxes on those contributions and their earnings until distribution. Such contributions are referred to as "employee elective deferrals" or "pretax contributions."

Deferrals of profit-sharing allocations give employees 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 infrequent, 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 frequently observed vehicle for pretax savings was a savings and thrift plan, accounting for 7 of 10 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.

⁴⁶ 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.

From a different perspective, 71 percent of all participants in defined contribution plans could make voluntary salary reduction contributions to their plan. The incidence was higher for white-collar (77 percent) than for blue-collar (61 percent) employees. The following tabulation shows the percent of defined contribution plan participants in plans with salary reduction features:

<i>Defined contribution plan</i>	<i>Percent of participants</i>
Savings and thrift	98
Deferred profit sharing	28
Money purchase pension	17

Savings and thrift plans

Savings and thrift plans enrolled 29 percent of employees covered by the survey—37 percent of white-collar and 20 percent of blue-collar workers. Under these plans, employees contribute a predetermined portion of earnings to an account, all or part of which the employer matches. 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 may allow withdrawals for specified conditions (such as medical and educational expenses) and may allow loans so participants can borrow funds from their account.

Employee contributions. (See tables 106 to 108.) Savings and thrift plans allow employees to choose from a range of possible contribution rates. A plan, for example, might allow maximum employee contributions of any amount from 5 to 20 percent of pay. One-fifth of participants could contribute 16 percent of their earnings; another fifth could contribute 15 percent. Other common maximums were 10, 12, and 17 percent.

Salary reduction, after only a few years, has become a dominant feature of savings and thrift plans. Ninety-eight percent of participants in savings and thrift plans were allowed to make pretax contributions, up from 92 percent in 1989, 85 percent in 1988, and 75 percent in 1986.

The provisions governing pretax contributions vary widely. For example, just over one-half of the participants in plans allowing pretax contributions had an option to make either pretax or posttax contributions; nearly one-half could make only pretax contributions; and the remainder 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 also because an employee may not withdraw pretax contributions from his or her account—except in limited circumstances—without severe tax penalties. Employees who elect posttax rather than pretax contributions, how-

ever, would avoid these tax penalties on withdrawals of their contributions.

Employer matching contributions. (See table 109.) Employers give incentives for participating in a savings and thrift plan by matching all or a portion of the employee's contribution (adding this amount to the employee's account). Usually the employer matches a portion of the employee's contribution up to a specified percent of the employee's earnings. For example, the most frequently observed provision in 1991 was for an employer to match half of the employee's contribution up to the first 6 percent of earnings. Assuming the employee contributed 8 percent of earnings, the employer would add 3 percent (half of the first 6 percent of the employee's earnings) for a total contribution of 11 percent to the employee's account. In contrast with these straight percentage matches, approximately one-fourth of the participants received matching contribution rates varying by length of service, level of employee contribution, or company profits.

Table 110 provides projections of the average contributions that employees and employers could make to savings and thrift plans in 1991, based on plan provisions and assumed annual earnings.⁴⁷ The average minimum allowable employee contribution was projected to range from \$186 for workers earning \$15,000 a year to \$676 for those earning \$55,000 a year. Maximum allowable annual employee contributions ranged from \$2,056 for employees earning \$15,000 to \$7,325 for those earning \$55,000. Employer matching contributions accounted for about 40 percent of total projected contributions to the plan when employees contributed the minimum allowable amount. When employee contributions reached the maximum, employer matching funds were projected at about 20 percent of the total.

Calculations of average annual employer and employee contributions were projected for employees completing 10, 15, and 20 years of participation in savings and thrift plans in 1991. Assumed annual interest rates of return were applied to these data to yield average lump-sum benefits available at retirement. For example, an employee who earned \$35,000 in 1991 and had participated in a savings plan for 15 years could have just over \$60,000 in her or his plan account. This is based upon the employee saving at the midpoint allowable level (the average of the minimum and maximum levels), receiving the corresponding employer match, and investing all funds at a constant rate of 6 percent compounded annually. Table 111 provides similar data for other earnings levels, years of service, and interest rates.

⁴⁷ These calculations derive from a model that develops aggregate estimates of contributions to, and lump-sum benefits from, savings and thrift plans. For a detailed description of the model, see Michael Bucci, "Contributions to Savings and Thrift Plans," *Monthly Labor Review*, November 1990, pp. 28-36.

Investment decisions. (See table 112.) Nine out of 10 participants in savings and thrift plans could choose how they wanted their own contributions invested. Investment vehicles offered by these plans included company stock, common stock funds, guaranteed investment contracts, government securities, money market funds, and long-term interest bearing securities such as corporate bonds and Treasury notes. The number of choices in these plans varied from two to five or more, with three choices being the most prevalent. Employees were nearly always allowed to split their contributions among the various options and were permitted to change their investment choices periodically.

In most cases, employees had less flexibility when it came to employer contributions. Just over three-fifths of the participants were permitted to choose how the matching contribution was to be invested. When no choice was allowed, the plan typically specified that the matching contribution was invested in company stock.

Withdrawals and loans. (See table 113.) Prior to normal payout at retirement, disability, or termination of employment, 50 percent of the participants in savings and thrift plans were allowed to withdraw all or a portion of employer contributions, down from 71 percent in 1989 and 82 percent in 1986. As withdrawal provisions are cancelled or further restricted (typically due to the tax penalties associated with withdrawals), loan provisions (discussed later in this section) have become more available.

One-half of the participants in plans permitting withdrawal of employer contributions were only allowed access to funds for hardship reasons, such as medical or educational expenses. The remaining participants could withdraw employer contributions for any reason.

Withdrawals of employer contributions were also subject to a variety of other restrictions. For example, 19 percent of participants who could make withdrawals could only withdraw part of their employer's contribution. Additionally, 34 percent of participants who could make withdrawals had a penalty imposed if they did so. Most commonly, penalties involved suspending employee contributions, and employer matching contributions, for a given period, such as 6 months or 1 year. Other penalties included suspending employer matching contributions only, or forfeiting nonvested employer contributions.

Another method of accessing an employee's account prior to final payout is a loan—45 percent of participants in savings and thrift plans were allowed to borrow from their accounts in 1991. The availability of loans has risen steadily in recent years; in 1985, less than 20 percent of participants could borrow from their accounts. Six percent of participants allowed to borrow were restricted to loans for emergency or hardship situations. Loans usually had to be repaid within 5 years, but longer payment periods may apply 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 were often available at lower rates than other loans. The following table shows the percent of participants in savings and thrift plans with loan provisions by the method of determining the interest rate:

<i>Method of determining interest on loan</i>	<i>Percent of participants</i>
Based on given economic indicator	36
At discretion of plan sponsor	38
Varies by reason for loan	17
Not determinable	8

Distribution. (See table 114.) At retirement, savings and thrift plans virtually always allowed for payout in the form of a lump sum. Many participants could choose from among a lump sum and other options, such as a lifetime annuity or installments over a specified period.

Profit-sharing plans

Profit-sharing plans were available to 16 percent of all employees in 1991 (table 103). There are three types of profit-sharing plans—cash plans (covering 1 percent of the workers), deferred plans (11 percent), and plans that offer a combination of cash and deferred benefits (4 percent). In a *cash plan*, benefits are paid directly to the participants in cash, usually at the end of the year, but 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 get a choice of cash or deferred benefits.

Fifty-two percent of the participants in deferred profit-sharing plans had employer contributions determined by a specified formula, such as 4 percent of profits if annual sales were \$2 million to \$5 million, and 8 percent if sales exceeded \$5 million. The remaining participants were in plans in which the employer determined its contribution at its own discretion (table 115).

Once the employer contribution is determined, the plan may allocate it to individual participants in a number of ways. The most common method of allocation was as a proportion of salary (52 percent of plan participants). Other allocation methods included formulas based on earnings and service, participants' contributions as a percentage of total contributions, and equal allocations to all participants. Another plan feature, loans from employee ac-

counts, was available to 27 percent of the participants in deferred profit-sharing plans.

Participation and vesting

Minimum age and/or service participation requirements more often prevailed in defined contribution plans than in defined benefit plans (table 116). To begin accumulating benefits, 82 percent of savings and thrift plan participants and 95 percent of deferred profit-sharing plan participants had to meet such requirements. In contrast, 71 percent of defined benefit plan participants faced such provisions. Of the defined contribution plans with participation requirements, most required a minimum amount of service, commonly 1 year, but did not require an employee to be a designated minimum age. Conversely, defined benefit pension plans that included participation requirements most often specified a minimum age and a minimum amount of service.

Defined contribution plans are subject to the same vesting rules under the Employee Retirement Income Security Act as defined benefit pension plans (table 117). Vesting schedules vary significantly between defined benefit and defined contribution plans, and variations are also common among individual types of defined contribution plans. All vesting schedules apply to employer contributions; employee contributions (including pretax contributions) are always 100-percent vested.

Immediate full vesting, a feature often provided in defined contribution plans but rarely found in defined benefit plans, was available to 31 percent of savings and thrift plan participants and 40 percent of deferred profit-sharing plan participants. Graduated vesting, in which an employee's nonforfeitable percentage increases over time until it reaches 100 percent, usually after 5 or 7 years, applied to 35 percent of participants in savings and thrift plans and 41 percent of participants in profit-sharing plans. Only 8 percent of defined benefit plan participants had graduated vesting.

"Cliff" vesting, in which no vesting occurs until an employee satisfies the service requirements for 100-percent vesting, appears in a large majority of defined benefit plans, but was required of only 31 percent of savings and thrift plan participants and 18 percent of deferred profit-sharing plan participants. Virtually all of these participants were fully vested after reaching 5 years of service.

Finally, class-year vesting—under which employer contributions for a particular year (class) become nonforfeitable after a specific period of time, usually 3 years or less—applied to just 3 percent of savings and thrift plan participants. Such vesting provisions were not found in profit-sharing plans.

Table 102. Retirement and capital accumulation plan coverage: Percent of full-time employees by participation in retirement plans and capital accumulation plans, medium and large private establishments, 1991

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	79	84	78	76
Retirement ¹ only	69	74	68	67
Capital accumulation ² only	1	1	1	1
Retirement and capital accumulation	9	9	9	8
Not covered by retirement or capital accumulation plan	21	16	22	24

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 103. Defined contribution plans: Percent of full-time employees participating by type of plan, medium and large private establishments, 1991

Type of plan	All employees	Professional, technical, and related employees	Clerical and sales employees	Production and service employees
Savings and thrift	29	38	35	20
Profit sharing	16	13	17	18
Immediate cash only	1	1	1	(¹)
Deferred benefits only	11	10	14	11
Combination	4	3	2	6
Employee stock ownership	3	4	4	2
Money purchase pension	7	11	7	5
Stock bonus	(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 104. Retirement and capital accumulation plans:
Percent of full-time participants by selected plan types and
combinations of plans, medium and large private
establishments, 1991**

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	59	58	57	60
Deferred profit sharing	8	5	4	11
Savings and thrift	26	29	31	21
Stock ¹	1	1	2	1
Deferred profit sharing and savings	3	2	2	4
Deferred profit sharing and stock ¹	(²)	(²)	1	(²)
Savings and stock ¹	1	1	1	(²)
Money purchase	2	2	1	2
Other combinations	1	1	1	1
Savings and thrift	100	100	100	100
With:				
No other plan	51	51	52	51
Defined benefit	38	39	39	37
Deferred profit sharing	2	2	2	2
Stock ¹	(²)	(²)	(²)	(²)
Defined benefit and deferred profit sharing	4	3	2	7
Deferred profit sharing and stock ¹	(²)	(²)	(²)	-
Defined benefit and stock ¹	1	2	2	1
Money purchase	2	2	1	1
Other combinations	1	1	2	1
Deferred profit sharing	100	100	100	100
With:				
No other plan	47	47	53	45
Defined benefit	30	29	20	34
Stock plan ¹	(²)	1	1	(²)
Savings and thrift plan	6	6	10	4
Defined benefit and stock ¹	1	2	3	1
Defined benefit and savings	12	12	8	13
Savings and stock ¹	(²)	1	(²)	-
Money purchase	1	1	1	1
Other combinations	2	2	5	1
Money purchase pension	100	100	100	100
With:				
No other plan	69	74	69	63
Defined benefit	14	11	10	21
Deferred profit sharing	2	1	2	3
Stock ¹	(²)	1	-	(²)
Savings and thrift plan	8	9	8	8
Defined benefit and stock ¹	1	1	1	2
Defined benefit and savings	2	2	3	3
Other combinations	3	2	6	1

¹ Employee stock ownership plans (ESOP's) and stock bonus plans.

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 105. Cash or deferred arrangements:¹ Percent of full-time employees participating in plans permitting employee contributions with pretax dollars, medium and large private establishments, 1991

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	44	56	48	35
Salary reduction plans ²	40	53	47	29
Savings and thrift plans	28	37	35	19
Deferred profit sharing plans	4	5	6	3
Supplemental contributions to money purchase pension plans	1	2	1	1
Freestanding accounts ³	7	10	6	6
Other ⁴	(⁵)	1	(⁵)	(⁵)
Regular contributions to pension plans on a pretax basis	2	4	1	1
Defined benefit plans ⁶	(⁵)	1	(⁵)	(⁵)
Money purchase pension plans	1	2	1	1
Deferral of profit sharing allocation ⁷	4	3	2	6

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 Employer contributions are not made to the plan.

⁴ Employee may allocate funds in a flexible benefits plan to a retirement account.

⁵ Less than 0.5 percent.

⁶ 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.

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

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

Table 106. Savings and thrift plans: Percent of full-time participants by maximum allowable employee contribution,¹ medium and large private establishments, 1991

Maximum allowable contribution ²	All participants	Professional, technical, and related participants	Clerical and sales participants	Production and service participants
Total	100	100	100	100
Percent of employee earnings	93	91	95	93
5 percent or less	5	3	7	5
6 percent	2	2	3	2
7 percent	1	(³)	(³)	1
8 percent	3	4	2	3
9 percent	1	1	(³)	1
10 percent	12	12	15	9
11 percent	1	(³)	1	1
11.01-11.99 percent	(³)	-	(³)	1
12 percent	6	6	6	6
12.01-12.99 percent	(³)	(³)	(³)	-
13 percent	2	2	3	1
14 percent	2	2	2	3
15 percent	20	20	17	22
16 percent	22	22	23	21
16.01-16.99 percent	(³)	(³)	(³)	(³)
17 percent	6	6	5	6
18 percent	3	4	2	4
18.01-19.99 percent	1	1	1	2
20 percent	4	3	6	4
20.01-24.99 percent	1	1	(³)	2
25 percent	(³)	(³)	(³)	-
Specified dollar amount	1	(³)	1	1
Internal Revenue Code limit	6	8	5	4
Data not available	1	(³)	-	1

¹ Includes contributions that may not be matched by the employer.

² If maximum varied by participant's length of service, age, or both, the highest possible percentage was tabulated.

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 107. Savings and thrift plans: Percent of full-time participants by provision for pretax employee contributions, medium and large private establishments, 1991

Item	All participants	Professional, technical, and related participants	Clerical and sales participants	Production and service participants
Total	100	100	100	100
Pretax contribution allowed	98	98	99	96
Pretax contribution not allowed	2	2	1	4

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

Table 108. Savings and thrift plans: Percent of full-time participants in plans that allow pretax employee contributions by method of determining contribution, medium and large private establishments, 1991

Item ¹	Total	All contributions must be pretax	Initial contributions must be pretax; additional contributions must be posttax	Initial contributions must be pretax; additional contributions may be either pretax or posttax, at the employee's option	Initial contributions may be either pretax or posttax at the employee's option
All participants					
Total	100	45	4	1	51
Maximum contributions allowed:					
Less than 5 percent	5	2	(²)	-	2
5 percent	5	2	(²)	-	2
6 percent	7	2	1	-	3
7 percent	(²)	(²)	(²)	-	(²)
8 percent	4	3	(²)	-	1
9 percent	2	1	(²)	-	1
10 percent	11	7	(²)	(²)	3
11 percent	2	(²)	2	-	1
11.01-11.99 percent	(²)	-	-	-	(²)
12 percent	9	3	(²)	-	5
12.01-12.99 percent	(²)	-	-	-	(²)
13 percent	2	1	-	-	1
14 percent	3	1	-	-	2
15 percent	21	11	(²)	-	10
16 percent	18	4	-	1	14
Greater than 16 percent	8	4	(²)	-	4
Specified dollar amount	1	(²)	-	-	1
Internal Revenue Code limit	3	3	-	-	-
Professional, technical, and related					
Total	100	47	3	1	49
Maximum contributions allowed:					
Less than 5 percent	4	1	(²)	-	3
5 percent	4	1	(²)	-	2
6 percent	4	2	1	-	1
7 percent	1	(²)	(²)	-	(²)
8 percent	5	4	(²)	-	2
9 percent	3	1	-	-	2
10 percent	12	8	(²)	(²)	4
11 percent	1	(²)	1	-	(²)
12 percent	8	3	1	-	5
12.01-12.99 percent	(²)	-	-	-	(²)
13 percent	2	1	-	-	1
14 percent	2	1	-	-	1
15 percent	22	10	(²)	-	12
16 percent	16	5	-	1	11
Greater than 16 percent	8	3	(²)	-	4
Specified dollar amount	(²)	(²)	-	-	(²)
Internal Revenue Code limit	5	5	-	-	-

See footnotes at end of table.

Table 108. Savings and thrift plans: Percent of full-time participants in plans that allow pretax employee contributions by method of determining contribution, medium and large private establishments, 1991—Continued

Item ¹	Total	All contributions must be pretax	Initial contributions must be pretax; additional contributions must be posttax	Initial contributions must be pretax; additional contributions may be either pretax or posttax, at the employee's option	Initial contributions may be either pretax or posttax at the employee's option
Clerical and sales					
Total	100	43	4	1	52
Maximum contributions allowed:					
Less than 5 percent	5	4	(²)	-	1
5 percent	6	3	(²)	-	3
6 percent	9	2	2	-	6
7 percent	1	(²)	(²)	-	(²)
8 percent	3	2	(²)	-	1
9 percent	1	(²)	(²)	-	1
10 percent	13	8	(²)	(²)	4
11 percent	2	(²)	1	-	1
11.01-11.99 percent	(²)	-	-	-	(²)
12 percent	10	3	(²)	-	7
12.01-12.99 percent	(²)	-	-	-	(²)
13 percent	3	1	-	-	2
14 percent	2	(²)	-	-	2
15 percent	16	10	(²)	-	6
16 percent	19	4	-	1	14
Greater than 16 percent	6	2	(²)	-	4
Specified dollar amount	(²)	(²)	-	-	(²)
Internal Revenue Code limit	3	3	-	-	-
Production and service					
Total	100	45	5	(²)	50
Maximum contributions allowed:					
Less than 5 percent	5	2	(²)	-	3
5 percent	5	3	(²)	-	2
6 percent	6	2	1	-	3
7 percent	(²)	(²)	-	-	-
8 percent	4	2	(²)	-	2
9 percent	1	1	(²)	-	(²)
10 percent	8	6	(²)	(²)	2
11 percent	4	(²)	3	-	(²)
11.01-11.99 percent	1	-	-	-	1
12 percent	8	4	(²)	-	4
13 percent	1	1	-	-	(²)
14 percent	3	1	-	-	3
15 percent	23	13	-	-	10
16 percent	19	2	-	(²)	17
Greater than 16 percent	10	8	(²)	-	3
Specified dollar amount	1	(²)	-	-	1
Internal Revenue Code limit	2	2	-	-	-

¹ If maximum contributions varied by participant's length-of-service, age, or both, the highest possible percentage 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 109. Savings and thrift plans: Percent of full-time participants by provision for employer matching contributions, medium and large private establishments, 1991

Employee earnings to be matched ¹	Total	Matching percentage ²							
		25 percent	50 percent	75 percent	100 percent	Other fixed percentages	Varies with contribution	Varies with profits	Other ³
All participants									
Total	100	7	32	3	15	16	6	14	6
Up to the first:									
2 percent	2	-	1	-	1	(⁴)	-	(⁴)	(⁴)
3 percent	7	(⁴)	1	-	4	1	(⁴)	2	-
4 percent	13	2	5	(⁴)	1	(⁴)	2	1	1
5 percent	17	2	3	(⁴)	3	5	(⁴)	3	1
6 percent	43	2	16	1	4	7	2	7	3
7 percent	3	-	2	1	(⁴)	-	-	1	(⁴)
8 percent	5	1	2	1	(⁴)	1	1	(⁴)	(⁴)
9 percent	-	-	-	-	-	-	-	-	(⁴)
10 percent	4	(⁴)	1	(⁴)	(⁴)	2	-	(⁴)	(⁴)
11 percent	-	-	-	-	-	-	-	-	(⁴)
12 percent	(⁴)	-	-	-	-	(⁴)	-	-	(⁴)
Greater than 12 percent	2	(⁴)	1	-	(⁴)	(⁴)	1	(⁴)	(⁴)
Other ⁵	3	1	(⁴)	-	2	(⁴)	-	(⁴)	-
Professional, technical, and related									
Total	100	9	29	4	16	20	4	13	6
Up to the first:									
2 percent	2	-	1	-	1	(⁴)	-	-	-
3 percent	8	(⁴)	1	-	3	1	(⁴)	2	-
4 percent	11	4	3	-	1	1	1	1	-
5 percent	16	1	1	(⁴)	4	7	(⁴)	2	(⁴)
6 percent	44	2	15	2	5	6	2	8	4
7 percent	4	-	2	1	(⁴)	-	-	1	(⁴)
8 percent	7	2	3	1	(⁴)	1	(⁴)	(⁴)	(⁴)
9 percent	-	-	-	-	-	-	-	-	(⁴)
10 percent	5	(⁴)	1	(⁴)	(⁴)	3	-	(⁴)	(⁴)
11 percent	-	-	-	-	-	-	-	-	(⁴)
12 percent	(⁴)	-	-	-	-	(⁴)	-	-	(⁴)
Greater than 12 percent	1	(⁴)	1	-	(⁴)	(⁴)	-	(⁴)	(⁴)
Other ⁵	2	(⁴)	(⁴)	-	1	(⁴)	-	-	(⁴)
Clerical and sales									
Total	100	4	35	1	16	15	6	16	6
Up to the first:									
2 percent	1	-	(⁴)	-	(⁴)	(⁴)	-	(⁴)	(⁴)
3 percent	11	(⁴)	1	-	7	(⁴)	-	2	-
4 percent	14	1	6	-	1	1	1	1	3
5 percent	17	1	3	(⁴)	3	4	(⁴)	5	-
6 percent	45	2	17	(⁴)	3	9	4	6	3
7 percent	3	-	2	(⁴)	(⁴)	-	-	1	-
8 percent	4	(⁴)	3	(⁴)	(⁴)	(⁴)	1	-	(⁴)
9 percent	-	-	-	-	-	-	-	-	(⁴)
10 percent	3	(⁴)	1	-	(⁴)	1	-	(⁴)	-
11 percent	-	-	-	-	-	-	-	-	(⁴)
12 percent	-	-	-	-	-	-	-	-	(⁴)
Greater than 12 percent	1	-	1	-	(⁴)	(⁴)	(⁴)	(⁴)	(⁴)
Other ⁵	2	-	(⁴)	-	1	(⁴)	-	(⁴)	-

See footnotes at end of table.

Table 109. Savings and thrift plans: Percent of full-time participants by provision for employer matching contributions, medium and large private establishments, 1991—Continued

Employee earnings to be matched ¹	Total	Matching percentage ²							
		25 percent	50 percent	75 percent	100 percent	Other fixed percentages	Varies with contribution	Varies with profits	Other ³
Production and service									
Total	100	8	34	3	14	13	8	14	7
Up to the first:									
2 percent	4	-	2	-	1	-	-	(⁴)	1
3 percent	3	(⁴)	(⁴)	-	1	(⁴)	-	1	-
4 percent	15	1	5	1	1	(⁴)	4	3	(⁴)
5 percent	19	3	3	(⁴)	3	5	(⁴)	2	3
6 percent	39	2	17	(⁴)	4	5	1	7	2
7 percent	3	-	2	1	(⁴)	-	-	(⁴)	-
8 percent	3	(⁴)	2	(⁴)	(⁴)	-	1	(⁴)	(⁴)
9 percent	-	-	-	-	-	-	-	-	-
10 percent	4	(⁴)	1	(⁴)	(⁴)	2	-	(⁴)	1
11 percent	-	-	-	-	-	-	-	-	-
12 percent	(⁴)	-	-	-	-	(⁴)	-	-	-
Greater than 12 percent	3	(⁴)	1	-	-	-	1	1	(⁴)
Other ⁵	6	2	1	-	3	-	-	(⁴)	-

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

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

³ Includes percentages that vary by type of investment chosen and by

length of service.

⁴ Less than 0.5 percent.

⁵ Includes other percentages and specified dollar amounts.

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

Table 110. Savings and thrift plans: Average annual contributions for full-time participants by annual earnings and allowable contribution levels, medium and large private establishments, 1991

Annual earnings	Employee contribution			Employer contribution			Combined contribution		
	Minimum	Midpoint of range	Maximum	Minimum	Midpoint of range	Maximum	Minimum	Midpoint of range	Maximum
\$15,000	\$186	\$1,121	\$2,056	\$118	\$460	\$504	\$304	\$1,582	\$2,560
\$20,000	247	1,492	2,737	158	613	672	405	2,106	3,409
\$25,000	308	1,863	3,418	197	766	839	505	2,629	4,257
\$35,000	431	2,605	4,779	275	1,071	1,173	706	3,676	5,959
\$45,000	553	3,332	6,111	353	1,375	1,505	907	4,707	7,616
\$55,000	676	4,000	7,325	431	1,676	1,837	1,107	5,677	9,162

Table 111. Savings and thrift plans: Average lump sum benefit available at retirement for full-time participants by years of plan participation, selected final annual earnings levels, and selected rates of interest, medium and large private establishments, 1991

Interest rates and annual earnings ¹	Years of participation		
	10	15	20
6 percent			
\$15,000	\$17,733	\$26,259	\$34,330
\$35,000	41,239	61,081	79,870
\$55,000	64,131	95,260	124,742
10 percent			
\$15,000	21,939	35,740	51,470
\$35,000	51,022	83,137	119,758
\$55,000	79,394	129,777	187,238

¹ Earnings levels are for 1991. Earnings levels for previous years of service were produced by using annual percentage changes in salary levels based upon Social Security Administration national wage data for each preceding year.

NOTE: Data assume employee contributes to the plan at the midpoint level and receives the corresponding employer-matching contributions.

Table 112. Savings and thrift plans: Percent of full-time participants by provisions for investment of employer and employee contributions, medium and large private establishments, 1991

Characteristic	All participants		Professional, technical, and related participants		Clerical and sales participants		Production and service participants	
	Employer contributions	Employee contributions	Employer contributions	Employee contributions	Employer contributions	Employee contributions	Employer contributions	Employee contributions
Total in plans permitting investment choices by employees ¹	62	91	68	95	61	93	57	86
Investment choice								
Total	100	100	100	100	100	100	100	100
Company stock	36	50	34	47	34	52	42	50
Common stock fund	90	87	89	87	92	88	90	87
Long-term interest bearing securities	46	44	44	44	52	47	42	40
Diversified mix of stocks and bonds	27	26	26	26	29	27	25	24
Government securities	34	33	38	40	37	33	26	26
Guaranteed investment contracts	70	71	70	71	70	69	74	74
Money market funds	43	38	46	40	49	43	34	31
Certificates of deposit	2	2	2	2	3	2	1	1
Other ²	6	4	7	5	5	4	7	5
Investment choices not determinable	5	4	5	4	5	4	5	3
Number of choices								
Total	100	100	100	100	100	100	100	100
Two	16	15	14	13	12	12	21	20
Three	33	32	34	32	31	31	34	34
Four	25	29	21	26	30	34	24	28
Five or more	22	20	25	25	22	19	18	15
Investment choices not determinable	5	4	5	4	5	4	5	3

¹ Excludes plans that limit investment options to participants age 55 or greater.

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

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

Table 113. Saving and thrift plans: Percent of full-time participants by provisions for withdrawal of employer contributions prior to disability, retirement age, or termination of employment, medium and large private establishments, 1991

Least restrictive provision	All participants	Professional, technical, and related participants	Clerical and sales participants	Production and service participants
Total	100	100	100	100
Withdrawals permitted	50	46	53	52
For hardship reasons ¹	26	24	28	27
Full withdrawal, no penalty	15	13	16	17
Full withdrawal, with penalty .	7	7	7	7
Partial withdrawal, no penalty	2	2	3	2
Partial withdrawal, with penalty	2	2	3	1
Not determinable	(²)	-	(²)	-
For any reason	24	22	25	24
Full withdrawal, no penalty	11	10	12	11
Full withdrawal, with penalty	7	7	6	7
Partial withdrawal, no penalty	5	4	5	5
Partial withdrawal, with penalty	1	1	2	1
No withdrawals permitted	50	54	47	48

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

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 114. Savings and thrift plans: Percent of full-time participants by method of distribution of account at retirement, medium and large private establishments, 1991

Method of distribution available	All participants	Professional, technical, and related participants	Clerical and sales participants	Production and service participants
Total	100	100	100	100
Cash distribution ¹	99	99	99	100
Lifetime annuity (including joint-and-survivor forms)	30	29	29	32
Installments	52	53	53	49
Lump sum	99	99	99	100
Not determinable	1	1	1	(²)

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

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 115. Deferred profit sharing plans: Percent of full-time participants by selected provisions, medium and large private establishments, 1991

Item	All participants	Professional, technical, and related participants	Clerical and sales participants	Production and service participants
Total	100	100	100	100
Method of determining employer contributions				
Based on stated formula	52	47	37	61
Fixed percent of profits	10	12	9	10
Sliding percentage based on profits, sales, or return on assets	24	21	10	33
Determined by unit profits	1	2	2	1
Other stated formula	16	13	16	18
No predetermined formula	48	53	63	39
Allocation of profits to individual employees				
Total	100	100	100	100
Equally to all participants	2	4	3	1
Based on earnings	52	48	54	52
Based on earnings and service	13	15	14	12
Based on participants' contributions	12	19	16	8
Other ¹	21	15	14	26
Loans from employees' accounts				
Total	100	100	100	100
Permitted	27	29	31	24
Not permitted	73	71	69	76

¹ Includes participants in plans that based allocation on unit performance or the ratio of employee compensated hours to total compensated hours.

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

Table 116. Savings and thrift and deferred profit sharing plans: Percent of full-time participants by age and length-of-service requirements for participation, medium and large private establishments, 1991

Age and service requirement provision ¹	All participants		Professional, technical, and related participants		Clerical and sales participants		Production and service participants	
	Savings and thrift plans	Deferred profit sharing plans	Savings and thrift plans	Deferred profit sharing plans	Savings and thrift plans	Deferred profit sharing plans	Savings and thrift plans	Deferred profit sharing plans
Total	100	100	100	100	100	100	100	100
With minimum age and/or service requirement	82	95	81	98	83	94	81	95
Service requirement only	57	53	58	50	50	40	61	60
3 months or less	5	5	5	5	3	7	7	5
4-5 months	(²)	-	(²)	-	(²)	-	(²)	-
6 months	8	1	10	1	6	1	7	1
1 year	39	44	39	37	37	31	42	52
2 years	3	2	2	5	3	1	4	2
3 years	1	1	2	3	1	1	(²)	-
Over 3 years	(²)	-	(²)	-	(²)	-	(²)	-
Age 20 or less	4	8	3	10	5	8	5	6
No service requirement	1	2	(²)	6	1	3	1	(²)
1-11 months	1	1	1	2	1	(²)	2	1
1 year	2	5	1	3	2	5	3	5
Age 21	21	35	20	38	29	46	14	29
No service requirement	1	(²)	2	(²)	1	1	(²)	(²)
1-6 months	1	2	1	1	1	2	1	2
7-11 months	(²)	-	(²)	-	(²)	-	(²)	-
1 year	18	30	17	27	26	42	12	26
Over 1 year	(²)	2	(²)	9	(²)	1	(²)	-
Without minimum age and/or service requirement	18	5	19	2	16	6	18	5
Age and service requirement not determinable	1	-	(²)	-	(²)	-	1	-

¹ If a plan had alternate participation requirements, one of which was service only, the service only requirement 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 117. Savings and thrift and deferred profit sharing plans: Percent of full-time participants by type of vesting schedule, medium and large private establishments, 1991

Type of vesting schedule	All participants		Professional, technical, and related participants		Clerical and sales participants		Production and service participants	
	Savings and thrift plans	Deferred profit sharing plans	Savings and thrift plans	Deferred profit sharing plans	Savings and thrift plans	Deferred profit sharing plans	Savings and thrift plans	Deferred profit sharing plans
Total	100	100	100	100	100	100	100	100
Immediate full vesting	31	40	34	47	29	22	31	47
Cliff vesting ¹ with full vesting after:	31	18	29	17	22	17	40	19
1-2 years	2	(²)	2	-	1	-	3	1
3-4 years	9	1	6	-	8	1	14	2
5 years	19	16	21	17	12	16	23	16
More than 5 years	(²)	-	(²)	-	1	-	-	-
Graduated vesting ³ with full vesting after:	35	41	32	36	46	62	27	34
4 or fewer years	3	2	2	(²)	6	3	3	1
5 years	21	4	21	4	26	7	16	1
6 years	2	3	2	2	2	3	2	2
7 years	8	34	7	29	12	48	6	29
10 years	-	(²)	-	(²)	-	(²)	-	-
Class vesting ⁴ with each class fully vested after:	3	-	5	-	3	-	3	-
2 years	2	-	2	-	2	-	3	-
3 years	1	-	1	-	1	-	(²)	-
More than 3 years	1	-	1	-	(²)	-	-	-
Data not available	(²)	-	(²)	-	(²)	-	-	-

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

² Less than 0.5 percent.

³ Graduated vesting schedules give an employee rights to a gradually increasing share of accrued benefits, determined by years of service, eventually reaching 100 percent vesting status.

⁴ Under class-year vesting, employers' contributions for a particular

year (class) become nonforfeitable after employees satisfy vesting requirements. Subsequent years become fully vested as each class matures. Included here are class year schedules with both graduated and cliff vesting features.

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

Chapter 8. Plan Administration

In addition to collecting 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 predominated as sponsors of most major benefit plans offered to full-time workers in the 1991 medium and large establishment survey (table 118). A large majority of participants in life insurance, health care, long-term disability insurance, and defined benefit pension plans were in single-employer plans. Seventy percent 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.⁴⁸ (State plans are discussed in chapter 3.)

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. Of the benefits studied, defined benefit pension plans were most frequently sponsored by multiemployer groups, and production and service employees were the most likely recipients of such benefits. Multiemployer groups sponsored other benefits including 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 resulted from the predominance of small establishments in such industries as contract construction and trucking. The percent of multiemployer pension plan participants in medium and large establishments doubled from 1989 to 1991. This may be due to the addition of traveling, operating employees—including over-the-road truckdrivers—to the 1991 survey.

⁴⁸ 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.

Plan financing

Generally, there were many more participants in wholly employer-financed plans than in partly employer-financed plans, with the notable exception of medical care. For the first time since the survey began in 1979, a greater proportion of workers with medical care coverage had plans partly financed by the employer (for both single and family coverage) as opposed to wholly employer-financed plans. Just over half the full-time workers with medical benefits had to contribute toward the cost of individual coverage; two-thirds had to contribute toward the cost of family coverage (table 119).

Life and disability insurance plans were predominantly financed in total by the employer, as were defined benefit pension plans. For almost all benefits, a greater percentage of blue-collar workers than white-collar workers participated in wholly employer-financed plans.

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 from among a number of plans in a given benefit area. For example, an employee may be offered a choice between a traditional fee-for-service medical plan and a health maintenance organization. In recent years, new approaches to offering benefits have emerged. BLS currently collects data on two such arrangements for offering benefits—flexible benefits plans and reimbursement accounts.

One in 10 full-time employees in medium and large establishments were offered flexible benefits plans in 1991 (table 120). Such plans, often called cafeteria plans, allow employees to design individual benefit packages by choosing from among multiple types of benefits. In a flexible benefits plan, employers provide each worker with an amount of “benefits credits.” These credits may equal a fixed dollar amount for each worker, or an amount that varies among workers according to earnings, length of service, size of family, or other characteristic. The employee then chooses from various benefits and benefit levels, using credits to purchase the desired benefits. If the credits do not suffice to pay for the coverage chosen, employees may have the option to fund the difference with pretax contributions, as was the case for a majority of employees with

such arrangements in 1991.

The most prevalent flexible benefits options included various levels of life insurance, separate dental choices, participation in fee-for-service medical plans (with varying deductibles and out-of-pocket maximums) or in health maintenance organizations, varying levels of accidental death and dismemberment insurance, and long-term disability insurance coverage. Almost two-thirds of employees covered by flexible benefits plans could receive cash in lieu of benefits or deposit unused credits into reimbursement accounts. Additionally, some employees could choose to participate in preferred provider organizations, purchase short-term disability coverage, deposit credits in a 401(k) plan, or buy and sell vacation days. Almost three-fourths of participants had to purchase minimum levels of coverage, commonly a basic level of life insurance.

Reimbursement accounts were offered to just over a third of full-time employees covered by the 1991 medium and large establishment survey. A greater proportion of white-collar than blue-collar workers in medium and large 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, employees can draw on medical care reimbursement accounts to pay for deductibles, their coinsurance, and for services not covered under a medical care plan, such as hearing or vision exams. 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 pre-tax payment of medical care and other insurance pre-

miums.

Usually, employee pretax money solely funds reimbursement accounts, 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.

Almost three-quarters of employees eligible for reimbursement accounts could allocate funds for health care expenses such as deductibles, coinsurances, and services not covered by their medical care plan (table 121). Three out of four 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 took 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.⁴⁹

⁴⁹ 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 118. Plan administration: Percent of full-time participants in selected employee benefit programs by type of plan sponsor, medium and large private establishments, 1991

Plan sponsor	Health care	Life insurance	Sickness and accident insurance	Long-term disability insurance	Defined benefit pension
All participants					
Total	100	100	100	100	100
Single employer	94	97	70	100	89
Multiemployer ¹	6	3	6	(²)	10
Mandated benefits ³	-	-	25	-	1
Employer association ⁴	(²)	1	-	(²)	(²)
Professional, technical, and related					
Total	100	100	100	100	100
Single employer	98	99	59	100	97
Multiemployer ¹	2	1	(²)	(²)	3
Mandated benefits ³	-	-	40	-	(²)
Employer association ⁴	(²)	(²)	-	(²)	(²)
Clerical and sales					
Total	100	100	100	100	100
Single employer	97	99	64	100	95
Multiemployer ¹	3	1	3	-	4
Mandated benefits ³	-	-	33	-	(²)
Employer association ⁴	(²)	(²)	-	(²)	(²)
Production and service					
Total	100	100	100	100	100
Single employer	90	95	75	99	81
Multiemployer ¹	10	4	8	1	18
Mandated benefits ³	-	-	17	-	2
Employer association ⁴	(²)	1	-	(²)	(²)

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 Less than 0.5 percent.

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

ticipants were covered by Railroad Retirement Tier 2.

⁴ Band of medium and large 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 119. Plan financing: Percent of full-time participants in selected employee benefit programs by source of financing, medium and large private establishments, 1991

	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	74	78	49	31	58	43	85	95
Partly employer financed	26	22	51	69	42	57	15	5
Professional, technical, and related								
Total	100	100	100	100	100	100	100	100
Wholly employer financed	59	76	45	25	54	37	85	95
Partly employer financed	41	24	55	75	46	63	15	5
Clerical and sales								
Total	100	100	100	100	100	100	100	100
Wholly employer financed	67	77	43	27	51	38	86	97
Partly employer financed	33	23	57	73	49	62	14	3
Production and service								
Total	100	100	100	100	100	100	100	100
Wholly employer financed	82	83	55	37	66	50	84	95
Partly employer financed	18	17	45	63	34	50	16	5

Table 120. Flexible benefits plans and reimbursement accounts:¹ Percent of full-time employees eligible, medium and large private establishments, 1991

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	37	50	42	26
Flexible benefits plan with reimbursement accounts	9	13	9	6
Flexible benefits plan with no reimbursement accounts	1	2	1	(²)
Freestanding reimbursement accounts	27	34	32	20
Not provided flexible benefits or reimbursement accounts	63	50	58	74

¹ Flexible benefits plans, also known as flexible compensation and cafeteria plans, allow employees to choose between two or more benefits or benefit 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.

Table 121. Reimbursement accounts: Percent of full-time employees eligible by expenses covered, medium and large private establishments, 1991

Coverage	All eligible employees	Professional, technical, and related employees	Clerical and sales employees	Production and service employees
Health care premiums	44	41	45	47
Health care premiums only	12	9	11	15
Health care expenses	72	78	73	64
Other insurance premiums	8	6	8	11
Dependent care	77	81	78	70
Legal expenses	4	3	2	7
Other expenses	3	2	4	4

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

Chapter 9. Benefits for Part-time Employees

In 1991, the survey collected information on the incidence and details of employee benefits for part-time⁵⁰ workers in medium and large private establishments for the first time. For just about every benefit, a smaller percentage of part-time workers were covered as compared to full-time workers. (See table 122.)

Part-time workers were more likely to receive paid time-off benefits such as vacations and holidays than insurance benefits. In addition, a fairly large percentage of part-time workers were eligible for benefits such as subsidized parking and employee discounts.

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.

Work schedule

Part-time workers typically worked 5 days per week but fewer than 5 hours per day. Sixty-two percent of part-time workers worked 5 hours or fewer per day, but 16 percent worked 8 hours per day. Eighty-seven percent worked less than 30 hours per week.

Time off

Paid time off was the most prevalent type of benefit program available to the part-time work force. Just over half of all part-time workers were eligible for paid vacations and rest time, and just over two-fifths were eligible for paid holidays and jury-duty leave. Paid personal, military, and parental leave were rare.

When employers granted part-time workers paid time off, they generally had fewer days off than full-time workers. For example, full-time workers averaged 10.2 holidays per year, and part-time workers averaged 8.2 per year. Additionally, at 3 years of service, part-time workers aver-

aged 9.6 vacation days per year, compared with 11.1 days for full-time workers with the same length of service. Similar differences were observed for paid sick leave.

In addition, leave provisions for part-time workers were usually prorated based on their work schedule. For example, if part-time employees worked 4 hours per day, 5 days per week, they would receive 4 hours' pay for one paid holiday and 20 hours pay for one week of paid vacation.

Insurance, retirement, and other benefits

Medical care, life insurance, and defined benefit pension benefits were each offered to about 3 out of 10 part-time workers. Benefits, such as dental insurance and long term disability insurance, were less prevalent.

Just over one-quarter of part-time workers were covered for medical care, compared with over four-fifths of full-time workers. Similar to full-time workers, a larger percentage of part-time workers were covered by plans that required a contribution than were covered by wholly employer-financed plans.

Approximately one-third of part-time workers were covered by life insurance, and one-fifth were covered by sickness and accident insurance. Among full-time workers, almost half were covered by sickness and accident insurance, and nearly all had life insurance.

Two-fifths of part-time workers participated in a retirement plan; full-time workers were nearly twice as likely to participate in one. As with full-time workers, defined benefit pension plans were more prevalent than defined contribution plans.

Other benefits offered most often were subsidized parking, available to over four-fifths of part-time workers, and employee discounts, available to half of the part-time workers (table 123). Approximately one-third of part-time workers could participate in employee assistance programs, and one-fifth were eligible for nonproduction bonuses.

⁵⁰ 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.

Table 122. Summary: Percent of part-time employees participating¹ in selected employee benefit programs, medium and large private establishments,² 1991

Employee benefit program	All employees ³	Professional, technical, and related employees ³	Clerical and sales employees ³	Production and service employees ³	Employee benefit program	All employees ³	Professional, technical, and related employees ³	Clerical and sales employees ³	Production and service employees ³
Paid:					Dental insurance—Continued				
Holidays	47	45	62	37	Family coverage:				
Vacations	55	55	66	47	Wholly employer financed	9	8	10	8
Personal leave	10	15	11	7	Partly employer financed	9	26	9	6
Lunch period	2	5	1	2	Life insurance	31	41	36	24
Rest time	56	56	62	50	Wholly employer financed	22	39	26	15
Funeral leave	39	46	49	29	Partly employer financed	9	1	11	10
Jury duty leave	45	57	47	39	All retirement ⁴	40	46	44	36
Military leave	14	20	19	10	Defined benefit pension	28	35	31	23
Sick leave	30	41	37	22	Wholly employer financed	27	35	30	22
Maternity leave	1	3	(⁵)	(⁵)	Partly employer financed	1	(⁵)	1	1
Paternity leave	(⁵)	1	(⁵)	(⁵)	Defined contribution ⁶	20	21	23	17
Unpaid:					Uses of funds:				
Maternity leave	19	33	20	14	Retirement ⁷	18	19	20	16
Paternity leave	14	22	15	11	Wholly employer financed ⁸	10	6	8	13
Sickness and accident insurance	19	20	20	18	Partly employer financed	7	13	12	3
Wholly employer financed	12	13	11	13	Capital accumulation ⁹	2	2	3	1
Partly employer financed	7	7	9	5	Wholly employer financed ⁸	(⁵)	1	(⁵)	(⁵)
Long-term disability insurance	3	16	2	1	Partly employer financed	2	(⁵)	3	1
Wholly employer financed	3	15	2	1	Types of plans:				
Partly employer financed	1	2	(⁵)	(⁵)	Savings and thrift	8	14	12	3
Medical care	28	42	26	26	Deferred profit sharing	10	1	12	10
Employee coverage:					Employee stock ownership	(⁵)	1	1	-
Wholly employer financed	12	10	11	14	Money purchase pension	4	11	1	5
Partly employer financed	16	32	16	12	Stock bonus	-	-	-	-
Family coverage:					Stock option	-	-	-	-
Wholly employer financed	10	3	10	12	Stock purchase	1	-	1	(⁵)
Partly employer financed	18	39	17	14	Cash only profit-sharing	-	-	-	-
Dental care	18	35	18	14	Flexible benefits plans	2	6	1	2
Employee coverage:					Reimbursement accounts	11	31	11	5
Wholly employer financed	10	11	11	9					
Partly employer financed	8	24	8	5					

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 See appendix A for definitions of the occupational groups.

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 Less than 0.5 percent.

⁶ 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.

⁷ 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.

⁸ Employees participating in two or more plans were counted as participants in wholly employer-financed plans only if all plans were noncontributory.

⁹ 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 123. Other benefits: Percent of part-time employees eligible for specified benefits, medium and large private establishments, 1991

Benefit	All employees	Professional, technical, and related employees	Clerical and sales employees	Production and service employees
Income continuation plans:				
Severance pay	13	13	20	8
Supplemental unemployment benefits	2	1	1	3
Transportation benefits:				
Free or subsidized employee parking	84	86	84	83
Subsidized commuting	4	8	2	4
Job-related travel accident insurance	18	17	24	13
Gifts and cash bonuses:				
Gifts	15	21	18	12
Nonproduction bonuses	19	14	23	16
Financial and legal services:				
Financial counseling	8	9	11	4
Prepaid legal services	2	(¹)	3	2
Family benefits:				
Employer assistance for child care	5	12	5	4
Adoption financial assistance	1	1	2	1
Eldercare	4	7	6	2
Long-term care insurance	1	4	(¹)	1
Health promotion programs:				
In-house infirmary	11	43	7	6
Wellness programs	16	35	18	10
Employee assistance programs ..	31	51	36	22
Miscellaneous benefits:				
Employee discounts	50	48	62	41
Employer-subsidized recreation facilities	13	31	14	8
Subsidized meals	20	51	12	18
Sabbatical leave	3	12	3	1
Relocation allowance	5	7	6	5
Education assistance:				
Job related	31	53	34	23
Not job related	6	10	7	3

¹ Less than 0.5 percent.

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

Appendix A: Technical Note

Scope of survey

The Bureau of Labor Statistics (BLS) survey of the incidence and characteristics of employee benefit plans is conducted jointly with the Bureau's Employment Cost Index (ECI). The portion of the sample from which these estimates are made covers all private sector establishments in the United States employing 100 workers or more at the time of sample selection.¹ All private sector industries are covered in the survey with the exception of farms and private households.

The industrial coverage, establishment size coverage, and geographic coverage for this survey differs from the earlier surveys of medium and large private establishments conducted annually from 1979 to 1989. The surveys done 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 carried out 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.

Beginning in 1990, all surveys cover all full-time and part-time workers in all 50 States and the District of Columbia. Beginning in 1990, BLS started to collect data in even-numbered years for small private establishments (those employing fewer than 100 workers) and State and local governments. Starting in 1991, the Bureau began to gather data in odd-numbered years in medium and large private establishments (those employing 100 workers or more).

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.

¹ The establishments included in this survey had to be determined in advance of the actual collection because BLS only surveyed the larger establishments. BLS classified establishments by size as of the reference date of the sampling frame. All establishments that were sampled with 100 employees or more are included in the survey, even if they employed fewer 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 selected employee position are collected. This group is called a quote.

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

BLS requested that sampled establishments provide data for a sample of their occupations on work schedules and details of plans in each of the following benefit areas: Paid 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 facili-

ties, 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 1984 to 1989. This results from the nature of sample selection and from replacement, which is described below.

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; the second stage is a probability sample of occupations within the sampled establishments.

Establishment sample

The sample of 3,246 establishments was the subset of the ECI sample that covered establishments having 100 employees or more 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 these new ones replace the sample units 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 the survey covers.

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 others because of publication requirements or highly variable data.

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

Occupational sample

At the beginning of each field visit that a Bureau field

economist makes to collect data from a sampled establishment, a second-stage probability sample of occupations is selected from the establishment. Data are then collected for these sampled occupations. The number of occupations selected from an establishment varies from four in the smallest establishments to eight in the largest establishments. The probability of an occupation being selected is proportional to its employment within the establishment. There were 11,274 second-stage sample units (sampled occupations) that reported data from the 2,144 first-stage sample units (sampled establishments) that cooperated in the survey.

The narrowly defined occupations are based on the Standard Occupational Classification (SOC) system defined by the Department of Commerce. These narrowly defined occupations are then classified into the three occupational groups shown in this bulletin.

Data collection

Bureau field economists made visits to sampled establishments to collect data for the survey. 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. BLS analyzed these plans in Washington to garner 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 from November 1990 to October 1991, reflecting an average reference period of April 1991. Respondents were asked for information as of the time of the data collection visit.

Data calculation

This bulletin presents tables that 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, 120, 121, and 123, 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, 102, 103, and 122), shows the number of covered workers as a percent of all workers within the scope of the survey. Tables 2, 120, and 123 show the number of eligible workers as a percent of all workers.

A second approach is followed in tables 8, 10, 11, 18, 27, 28, 30, 31, 33-40, 57, 61-62, 65-67, 70, 71, 75, 77, 81, 82, 88,

89, 92, 93, 96, 97, 99-101, 104, 106, 107, 109, 113-119, and 121. These tables display 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. The tables answer questions concerning the typical coverage provided to persons with a given medical, dental, and vision care plan; insurance plan; defined benefit pension plan; or defined contribution plan. As an example of such questions, what percent of all employees with medical care receive mental health care coverage?

The third approach focuses closely on an important plan feature (tables 26, 29, 32, 41-56, 58, 60, 63, 64, 68, 69, 72, 73, 78-80, 83-87, 94, 98, and 108). This third approach yields answers to questions such as the following: What percent of all employees with accidental death and dismemberment benefits have coverage equal to their life insurance benefits? Tables 24, 95, 105, and 112 use a combined approach: the first row of data indicate the percent of persons who have a particular coverage; 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. If they desire, users can convert any of the second or third types of tables into 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 orthodontic coverage subject to a maximum (83 percent from table 68) by the percent of dental care participants with orthodontic coverage (72 percent from table 68), and then, multiply the resulting product by the percent of all employees who have dental care coverage (60 percent from table 1). In this example, 34 percent of employees are in plans that impose a maximum on orthodontia payments ($0.83 \times 0.68 \times 0.60$).

Tables 6, 12, 22, 23, 25, 59, 74, 76, 90, 91, 110, and 111 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 of establishment responses to the survey:

<i>Establishments</i>	<i>Number</i>
In sample	3,246
Out of business and out of scope	203
Refusing to respond	899
Responding fully or partially	2,144

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 in which this number was not reported (approx-

mately 15 percent of participants in health plans, 12 percent in retirement and capital accumulation plans, and less than 6 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 when 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 8 percent of participants in sickness and accident insurance plans, 12 percent of flexible benefits plan participants, 26 percent of medical, dental, and vision care participants, 17 percent of long-term disability insurance participants, 31 percent of retirement and capital accumulation plan participants, and 9 percent of life insurance plan participants. Imputations were done for less than 1 percent of the participants in paid leave plans.)

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

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, BLS will explore methods to impute for these data for future surveys. If all sampled occupations in cooperating establishments had supplied the requested data, the estimates in this bulletin would represent 40.0 million employees instead of the 35.9 million employees actually 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 poststratification 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 come from the State unemploy-

ment insurance reports for April 1991.

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 poststratification totals for the i^{th} establishment.

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

Reliability of estimates

The statistics in this bulletin are estimates derived from a sample of 11,274 usable occupation quotes selected from the 2,144 responding establishments, rather than tabulations based on data from all employees in the approximately 115,000 medium and large establishments within the scope of the survey. Consequently, the data are subject to sampling errors, as well as nonsampling errors.

Sampling errors are the differences that can arise between results derived from a sample and those computed from observations of all units in the population being studied. When probability techniques are used to select a sample, as in the Employee Benefits Survey, statistical measures called "standard errors" can be calculated to measure possible sampling errors.

This evaluation of survey results involves forming confidence intervals that can be interpreted in the following manner: Assume that repeated random samples of the same size were drawn from a given population and an estimate of some value, such as a mean or percentage, was made from each sample. Then, the intervals described by one standard error below each sample's estimate and one standard error above would include the population's value for 68 percent of the samples. Confidence rises to 90 percent if the intervals surrounding the sample estimates are widened to plus and minus 1.6 standard errors, and to 95 percent if the intervals are increased to plus and minus 2 standard errors.

Chart A-1 provides standard errors for use in evaluating the estimates in the 111 tables shown in chapters 1-9 of this

bulletin containing percentage estimates. For example, table 1 shows that 67 percent of all employees participated in sick leave plans in 1991. Chart A-1 shows a standard error of approximately 1.8 percent for this estimate. Thus, at the 95-percent level, the confidence interval for this estimate is 63.4 percent to 70.6 percent (67 plus and minus 2 times 1.8 percent).

Standard errors for tables 6, 12, 22, 23, and 59 could not be represented graphically. They are presented as tables A-3, A-4, A-5, A-6, and A-7. For example, the first entry in table 22 shows an average of 12.4 days of paid annual sick leave after 1 year of service. The standard error for this estimate is 0.7 days.

Standard errors cannot be computed for tables 25, 74, 76, 90, 91, 110, and 111. The rates shown in most of these tables are projections based on models of the plan provisions.

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

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

For those readers interested in further mathematical details, the next section describes how chart A-1 was derived from 1991 survey data.

Mathematical details on chart showing estimates and generalized standard errors

Each estimate used in the production of the tables in this bulletin has an approximately normal distribution.

Standard errors for the percentage estimates were computed from a representative portion of the 1991 survey estimates using methodology called "balanced repeated replication." Estimates are produced for each of 64 half-sample replicates, and the variability or standard error is calculated from the 64 half-sample estimates. To simplify their presentation, a curve was fitted to the standard error estimates, by regression techniques (chart A-1).

The curve's equation is:

$$S = e^{[a + b(\ln(P))^2 + c(\ln(100-P))^2 + d \ln(P) \ln(100-P)]}$$

where:

- S = standard error
- P = percentage estimate from the bulletin
- e = exponential function
- ln = natural logarithm function.

For the 1991 Employee Benefits Survey,

a = -0.24855, b = -0.038302, c = -0.036047, and
d = 0.133446.

These are regression coefficients. The curve fits the data with $R^2 = 0.9211$ and no pattern in the residuals. Moreover, differences between this curve and curves based on data for previous survey years are primarily due to the differences in sample size.

The equation of the curve was obtained empirically, using the following equation:

$$S = a P^b (100 - P)^c.$$

Chart A-1. Generalized standard errors, medium and large private establishments, 1991

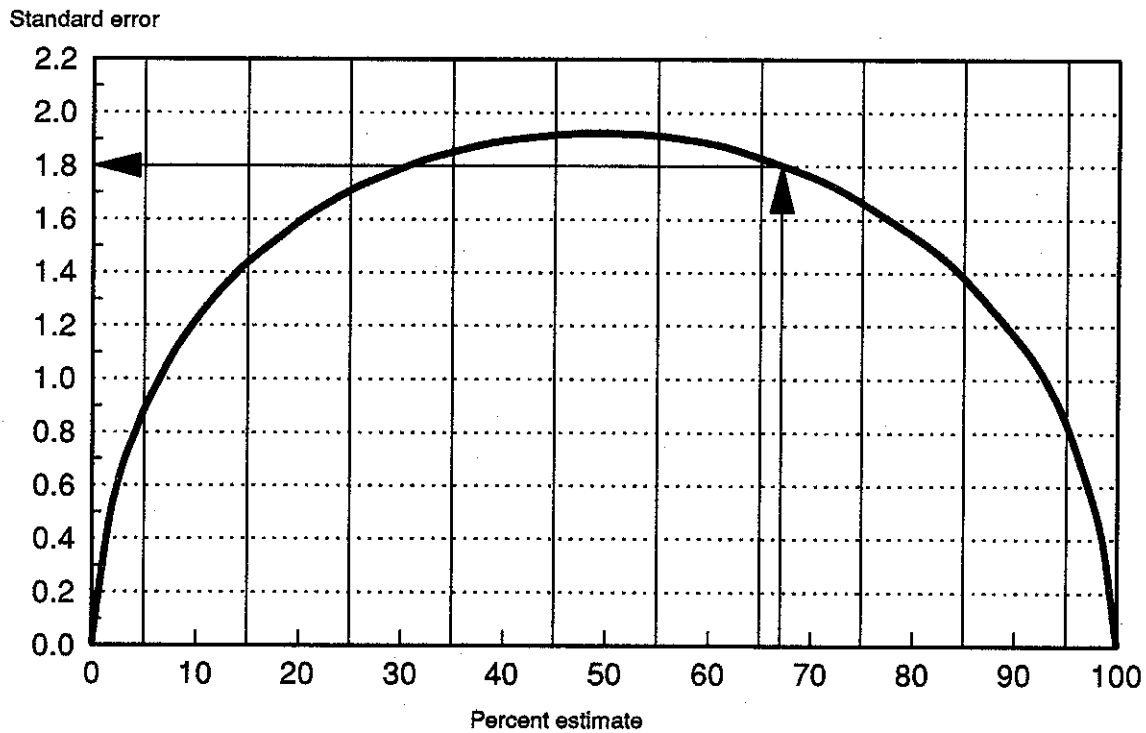


Table A1. Number of establishments and full-time occupational quotes studied and estimated number of full-time workers within scope of survey, medium and large private establishments, United States, 1991

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	2,144	11,274	3,467	2,818	4,989
Manufacturing	540	3,237	727	420	2,090
Nonmanufacturing	1,604	8,037	2,740	2,398	2,899
Mining	26	177	65	19	93
Construction	61	309	57	21	231
Transportation, communications, electric, gas, and sanitary services	300	1,883	532	639	712
Wholesale trade	90	486	98	196	192
Retail trade	233	781	98	360	323
Finance, insurance, and real estate	246	1,156	420	429	307
Services	648	3,245	1,470	734	1,041
Estimated number of full-time workers within scope of survey					
All industries		31,162,656	8,403,844	7,927,915	14,830,897
Manufacturing		11,674,023	2,390,934	1,516,175	7,766,914
Nonmanufacturing		19,488,633	6,012,911	6,411,740	7,063,982
Mining		331,160	121,246	51,805	158,109
Construction		831,400	112,931	36,387	682,082
Transportation, communications, electric, gas, and sanitary services		2,844,772	658,030	763,583	1,423,158
Wholesale trade		1,337,867	218,881	538,406	580,580
Retail trade		2,648,156	228,647	1,346,800	1,072,708
Finance, insurance, and real estate		2,262,500	672,346	1,435,711	154,443
Services		9,232,778	4,000,829	2,239,047	2,992,903

¹ As defined in the 1987 edition of the *Standard Industrial Classification Manual*, U.S. Office of Management and Budget. Industry data are shown for informational purposes only and are subject to larger than normal sample error. See section on reliability of estimates.

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

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

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

Table A2. Number of establishments and part-time occupational quotes studied and estimated number of part-time workers within scope of survey, medium and large private establishments, United States, 1991

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	2,144	1,248	216	537	495
Manufacturing	540	35	1	16	18
Nonmanufacturing	1,604	1,213	215	521	477
Mining	26	-	-	-	-
Construction	61	6	1	3	2
Transportation, communications, electric, gas, and sanitary services	300	53	5	20	28
Wholesale trade	90	11	-	3	8
Retail trade	233	398	1	261	136
Finance, insurance, and real estate	246	37	1	21	15
Services	648	708	207	213	288
Estimated number of part-time workers within scope of survey					
All industries		4,709,970	591,910	1,791,623	2,326,436
Manufacturing		142,080	3,335	51,310	87,435
Nonmanufacturing		4,567,889	588,575	1,740,313	2,239,001
Mining		-	-	-	-
Construction		13,870	1,205	9,355	3,309
Transportation, communications, electric, gas, and sanitary services		154,198	3,469	45,439	105,291
Wholesale trade		27,919	-	6,690	21,229
Retail trade		2,091,454	2,501	1,136,448	952,505
Finance, insurance, and real estate		84,723	776	75,472	8,475
Services		2,195,726	580,624	466,910	1,148,191

¹ As defined in the 1987 edition of the *Standard Industrial Classification Manual*, U.S. Office of Management and Budget. Industry data are shown for informational purposes only and are subject to larger than normal sample error. See section on reliability of estimates.

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

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

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

Table A-3. Standard errors for table 6 -- Paid holidays and vacations: Average number of days for full-time participants, medium and large private establishments, 1991

Item	All participants	Professional, technical, and related participants	Clerical and sales participants	Production and service participants
Paid holidays	0.13	0.19	0.15	0.18
Paid vacation by minimum length of service requirement:				
After 1 year .....	.10	.19	.16	.11
After 3 years .....	.08	.15	.12	.10
After 5 years .....	.11	.18	.17	.14
After 10 years .....	.10	.17	.16	.14
After 15 years .....	.11	.18	.15	.17
After 20 years .....	.12	.19	.19	.17
After 25 years .....	.14	.22	.20	.19
After 30 years .....	.16	.23	.22	.21

Table A-4: Standard errors for table 12 -- Paid vacations: Average number of days for full-time participants by length of service and cash-in/carryover provisions, medium and large private establishments, 1991

Vacation days by minimum length of service requirement	All plans	Cash-in, carryover, or both	Carryover only	Cash-in only	Cash-in and carryover	No cash-in or carryover
After 1 year	0.10	0.18	0.18	0.38	0.55	0.11
After 3 years .....	.08	.16	.16	.33	.52	.10
After 5 years .....	.11	.20	.20	.36	.64	.13
After 10 years .....	.10	.18	.20	.38	.56	.13
After 15 years .....	.11	.17	.17	.45	.59	.16
After 20 years .....	.12	.19	.20	.46	.53	.17
After 25 years .....	.14	.21	.24	.49	.57	.19
After 30 years .....	.16	.22	.27	.51	.57	.23

Table A-5. Standard errors for table 22 -- Paid sick leave: Average number of days at full pay for full-time participants by type of plan, medium and large private establishments, 1991

Item	All participants	Professional, technical, and related participants	Clerical and sales participants	Production and service participants
Paid annual sick leave days by minimum length of service requirement:				
After 1 year	0.7	1.3	0.6	1.1
After 3 years	1.0	2.2	.8	1.1
After 5 years	1.2	2.4	1.2	1.2
After 10 years	1.7	3.1	2.2	1.4
After 15 years	1.9	3.5	2.5	1.5
After 20 years	2.0	3.7	2.7	1.6
After 25 years	2.2	3.8	2.8	1.8
After 30 years	2.2	3.8	2.9	1.8
Paid per disability sick leave by minimum length of service requirement:				
After 1 year	4.9	7.9	4.1	8.6
After 3 years	4.0	7.1	3.3	6.9
After 5 years	4.5	7.6	4.0	6.4
After 10 years	5.0	8.5	4.1	6.6
After 15 years	5.9	9.4	4.9	7.3
After 20 years	6.7	10.3	5.7	8.9
After 25 years	7.6	11.3	6.7	10.9
After 30 years	7.6	11.3	6.6	11.0

Table A-7. Standard errors for table 59 -- Health care benefits: Average monthly contribution of full-time participants in contributory plans, medium and large private establishments, 1991

Type of coverage	All participants	Professional, technical, and related participants	Clerical and sales participants	Production and service participants
All plans				
Employee coverage	\$0.64	\$0.73	\$0.78	\$1.14
Family coverage	2.86	3.77	4.34	4.54
Health maintenance organizations				
Employee coverage	1.50	1.90	2.04	2.52
Family coverage	5.02	5.32	5.96	9.19
Non-health maintenance organizations				
Employee coverage .....	.71	.77	.89	1.25
Family coverage	3.17	3.97	5.20	4.91

Table A-6. Standard errors for table 23 -- Paid annual sick leave: Average number of days at full pay for full-time participants by sickness and accident insurance coordination, medium and large private establishments, 1991

Item	All participants	Professional, technical, and related participants	Clerical and sales participants	Production and service participants
After 1 year of service:				
With sickness and accident insurance ...	0.3	0.6	0.3	0.3
Without sickness and accident insurance ...	1.2	1.8	1.0	2.1
After 3 years of service:				
With sickness and accident insurance ...	1.4	4.4	.4	1.4
Without sickness and accident insurance ...	1.4	2.1	1.2	2.2
After 5 years of service:				
With sickness and accident insurance ...	1.4	4.9	.6	.5
Without sickness and accident insurance ...	1.7	2.5	1.9	2.3
After 10 years of service:				
With sickness and accident insurance ...	1.5	5.0	.9	.8
Without sickness and accident insurance ...	2.5	3.6	3.4	2.5
After 15 years of service:				
With sickness and accident insurance ...	1.5	4.8	1.0	1.1
Without sickness and accident insurance ...	2.9	4.3	3.8	2.6
After 20 years of service:				
With sickness and accident insurance ...	1.6	4.8	1.1	1.3
Without sickness and accident insurance ...	3.2	4.8	4.1	2.8
After 25 years of service:				
With sickness and accident insurance ...	1.7	4.8	1.3	1.6
Without sickness and accident insurance ...	3.4	4.9	4.4	3.0
After 30 years of service:				
With sickness and accident insurance ...	1.7	4.8	1.3	1.6
Without sickness and accident insurance ...	3.5	5.0	4.5	3.1

Appendix B. Availability of the Survey's Data Base

The tables published in this bulletin present the major findings of the employee benefits survey in medium and large private 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* or *Compensation and Working Conditions*.

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 1981-90 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 20212-0001. The 1991 data will be available to the public on magnetic tape in the near future. Send any questions on the availability of these tapes to the above address.

Because of its pledge of confidentiality to survey respondents, the Bureau has carefully screened the tapes to remove or alter any data that would reveal the identity of individual establishments. The Bureau supplies data tapes and supporting documentation at cost.

For major benefit items, the BLS survey obtained plan provisions and employee participation data. 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 can not 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 resource constraints.

For the 1981-89 surveys, data users can buy 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. A single, combined tape is also available. It contains data for all of the benefits listed above. For the 1990 survey, only a single tape with selected benefit areas is available.

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 identification numbers on the control file are scrambled differently for each employee group, users can not 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 these provisions are then entered on the plan data file. Tape purchasers receive a set of coding manuals and instructions for completing them to help interpret the data on file. Time off, flexible benefits, and reimbursement account provisions are reported directly on collection forms, copies of which the Bureau also provides to tape buyers.

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 1991 data base indicates the extent of the information available on the magnetic tapes. Coverage of other benefits is similarly detailed.

Medical, dental, and vision care data base

Plan participation requirements

Employee monthly contribution for employee and family benefits

Pretax status of contributions

Type of plan and funding arrangement

Medical benefits

Dental benefits

Vision benefits

Effect of retirement

Retired employees benefit coverage, eligibility, and type of financing

Hospital coverage

Hospital room and board coverage

Hospital miscellaneous charges

Alternatives to hospitalization

Extended care facility coverage

Home health care coverage

Hospice coverage

Surgical coverage

In-hospital surgical coverage

Second surgical opinion

Outpatient surgical coverage

Physician charges

In-hospital coverage

Office visit coverage

Maternity care benefits

Who is covered

Diagnostic x-ray and laboratory testing coverage

Mental health care benefits

In-hospital room and board charges

Outpatient mental health care

Substance abuse benefits

In-hospital detoxification care

In-hospital rehabilitative care

Outpatient care

(There are separate questions for alcohol abuse and drug abuse.)

Other benefits

Hearing care

Premium incentives

Physical examinations

Organ transplants

Well-baby care

Immunization and inoculation

Mammography

Preventive dental care only (examinations and/or x rays)

Vision examinations only

Cost containment features

No or limited reimbursement for nonemergency weekend admission to hospital

Preadmission testing

Preadmission certification required

Birthing centers

Hospital audit program

Utilization review

Dental care benefits

Who is covered

Prophylaxis and routine exams

X rays

Fillings

Surgery—dental

Periodontal care

Endodontics

Inlays

Crowns

Prosthetics

Orthodontia

Preauthorization requirement

Vision care benefits

Who is covered

Eyeglasses

Eye examinations

Contact lenses

Prescription drug benefits

Brand name drugs

Generic drugs

Overall limitations

Out-of-pocket expense limitation

Overall deductible

Overall maximum

Overall coinsurance

Each medical expense section (for example, hospitalization, prescription drugs, physician charges) contains information on internal limitations; these limits apply only to the specific category of care in which they appear. 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 lim-

its that apply to more than one category of care. These overall limitations—deductibles, maximums, coinsurances, 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.