

Employee Benefits in Medium and Large Private Establishment, 1993



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U.S. Department of Labor
Robert B. Reich, Secretary

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Preface

This bulletin presents results of a 1993 Bureau of Labor Statistics survey of the incidence and detailed provisions of selected employee benefit plans in medium and large private establishments. The survey provides representative data for 34 million employees in the Nation's private nonagricultural industries. Appendix A provides a detailed description of the coverage and statistical procedures used in the survey.

The 1993 Employee Benefits Survey reports on benefits provided to employees in establishments with 100 or more workers in all private nonfarm industries. Between 1979 and 1986, the survey provided benefits data on full-time employees in medium and large establishments, those with either 100 or 250 employees or more, depending on the industry; coverage in the services industries was limited. The 1987 survey examined benefits provided to full-time employees in State and local governments with 50 employees or more. In 1988, 1989, and 1991, 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 employment) and State and local governments. In that year, the survey covered small private establishments and governments. At the present time, small private establishments and State and local governments are surveyed in even-numbered years, and medium and large private establishments are surveyed in odd-numbered years.

The 1993 Employee Benefits Survey provides an expanded "survey highlights" section (Chapter 1) with a number of key findings for major benefits, such as time-off benefits; disability benefits; medical, dental, and vision care; life insurance; and defined benefit pension and defined contribution plans. Individual chapters, with general information and details describing the benefit provisions, follow along with the respective tables for each benefit.

Data for this bulletin were compiled and analyzed in the Division of Occupational Pay and Employee Benefits Levels by Cathy Baker, Michael Bucci, Thomas Charboneau, Kenneth Elliott, Jason Ford, Ann Foster, Avy Graham, Robert Grant, Douglas Hedger, Jonathan Kelinson, Natalie Kramer, Marc Kronson, Christine Kymn, James Moore, Laura Scofea, Patrick Seburn, Margaret Simons, Cynthia Thompson, Jerline Thompson, and Arthur Williams, under the direction of Allan Blostin, James Houff, and John Morton. Text was prepared for publication by Mahin Eslami.

Computer programming and systems design for the survey were provided by David Caples, Mary Constable, Mohamed Elzein, Beverly Fantroy, Fred Ford, Aholivah Maier, Lien Nham, Robert Roscoe, and Cheryl Sims of the Division of Directly Collected Periodic Surveys, under the direction of Leslie Chappel. Mary Gessley, Thomas Kelly, Charlotte Mueller, and Jill Montaquila of the Statistical Methods Group (Office of Compensation and Working Conditions) were responsible for the sample design, nonresponse adjustments, sample error computations, and other statistical procedures, under the direction of Chester Ponikowski. Fieldwork for the survey was directed by the Bureau's Assistant Regional Commissioners for Operations.

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Questions on the data in this publication should be referred to the staff of the Employee Benefits Survey at (202) 606-6222. Sensory impaired individuals may obtain information in this publication upon request. Voice phone: (202) 606-STAT; TDD phone: (202) 606-5897; TDD Message Referral phone: 1-800-326-2577.

Pictured on the cover of this bulletin is *Waiting for the Vet* by Norman Rockwell, (c) 1952, The Curtis Publishing Company.

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Chapter 1. Results of the 1993 Survey

The Bureau's 1993 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 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.

Data also are collected on the incidence of several other benefits, including severance pay, 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.

Major highlights of the survey are reported later in this chapter. Detailed information on the provisions of the benefits studied appears in chapters 2-8.

For the 1993 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. In addition, data were also collected on the incidence of employee benefits by union status, broad industry grouping, and broad geographic regions.

Among the most frequently observed benefits provided to full-time employees in medium and large private establishments in 1993 were medical care,

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.

dental care, life insurance, defined benefit pension plans, holidays, vacations, and paid sick leave; each of these benefits was provided to the majority of full-time workers (tables 1-2). In contrast, such benefits as paid parental leave, personal leave, sickness and accident insurance, and long-term disability insurance were less prevalent among full-time workers.

Work schedules, paid time off, and parental leave

Eighty-two percent of full-time employees had weekly work schedules of 40 hours, based on five 8-hour days. Two-thirds of full-time employees were provided formal rest time, such as coffee breaks and clean up time; these benefits were more common among blue-collar and service employees than among white-collar employees. Paid rest periods averaged 26 minutes per day. (See chapter 2.)

Paid vacations, provided to virtually all full-time employees, averaged 9.4 days after 1 year of service, 16.6 days after 10 years of service, and 21.9 days after 30 years of service. Virtually all employees covered by vacation plans were required to work a specified period of time before being able to take a vacation, with the most common length-of-service requirement being 1 year. Two-fifths were allowed to carry-over at least some of their unused vacation days into the following year; one-fifth could cash in some or all of their vacation days at the end of the year;

When other types of leave were provided, covered employees received, on average:

- 10 holidays per year;
- 3 days of funeral leave per occurrence;
- Jury duty leave as needed;
- 3 personal leave days per year;
- 14 days of paid military leave per year.

Unpaid maternity leave was available to 60 percent of full-time employees; 53 percent were eligible for unpaid paternity leave. White-collar workers were more likely to be covered by such plans than were blue-collar

workers.² Paid maternity and paternity leave plans were virtually non-existent. For plans that provided a fixed number of days of unpaid maternity or paternity leave, maximum benefits averaged about 4.3 months per occurrence.

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. (See chapter 3.) For longer term or permanent disabilities, employees may have long-term disability insurance to replace their incomes. Short-term disability protection, through sick leave, sickness and accident insurance, or both, was provided to 87 percent of full-time employees. Forty-one percent of full-time employees were covered by long-term disability (LTD) insurance. Sick leave and LTD insurance were more prevalent among white-collar workers, and sickness and accident insurance was more common among blue-collar workers.

Survey data on paid sick leave indicate that three-fourths of covered workers were allowed a fixed number of days per year, with the average being 12.0 days after 1 year of service, 16.9 days after 5 years, 21.8 days after 15 years, and 24.5 days after 25 years. Three-fifths of full-time employees covered by annual sick leave plans were allowed to carry over and accumulate unused sick leave from year to year (cumulative plans). Of those workers in cumulative plans, 81 percent had limits on the amount of sick leave that could be carried over to the next year.

Of the workers with sickness and accident insurance:

- 74 percent had their benefits fully paid by their employer;
- Three-fifths had their benefits determined by a fixed percentage of earnings, usually 50, 60, or 67 percent;
- Those with earnings-based benefits typically had a dollar limit on the amount of the weekly benefit, with the average being \$300;
- The other type of benefit formula commonly provided was a flat dollar amount per week; the average was \$156;
- Two-thirds were subject to an eligibility requirement before being able to join the plan, generally less than five months.

For those full-time workers with long-term disability insurance protection, 89 percent received

their benefit as a fixed percent of predisability earnings, with the most prevalent benefit being 60 percent of monthly pay. The majority of workers with percent of earnings benefits were subject to a monthly dollar maximum, averaging \$6,861 per month. Twenty-eight percent of workers with LTD benefits were subject to a maximum imposed on all sources of disability income. Such maximums were generally 70 percent or more of predisability earnings. Other LTD features included:

- 27 percent of participants were required to contribute to the cost of their coverage;
- Slightly less than three-fifths had to wait 6 months after the onset of disability before beginning to receive LTD payments;
- Seven-eighths were in plans that included coverage for disabilities due to mental illness; nearly two-fifths of these participants had limits placed on mental illness coverage, usually restricting the duration of benefits to 24 months.

Medical, dental, and vision care

Medical care was among the most widespread benefits provided to full-time employees in medium and large private establishments—82 percent of workers participated in such plans. The availability of other health-related benefits was less prevalent—62 percent of full-time employees participated in a dental care plan, and 26 percent had vision care coverage. Health care benefits varied little among occupational groups. (See chapter 4.)

Forty-nine percent of medical care participants were covered by non-traditional plans, that is, health maintenance organizations (HMO's) or preferred provider organizations (PPO's). HMO's covered 23 percent of full-time workers with medical care benefits while PPO's covered 26 percent.

Nearly two-fifths of medical care participants were in plans paid for entirely by the employer; one-fifth had family coverage wholly employer financed. When workers contributed, their fixed monthly premiums averaged \$32 for individual coverage and \$107 for family coverage.

For full-time employees participating in medical care plans:

- Virtually all participants in traditional fee-for-service plans were subject to an annual deductible; the average deductible was \$218;
- The percentage of expenses paid by the plan varied between traditional fee-for-service plans and PPO's; traditional fee-for-service plans generally paid 80 percent of expenses, while PPO's frequently paid 90 percent or more for expenses;

² Most of the data on maternity and paternity leave included in the survey were collected prior to the effective date of the Family and Medical Leave Act.

- 83 percent of participants in non-HMO plans had an individual limit on out-of-pocket expenses; the average limit was \$1,319;
- 77 percent of non-HMO participants had a lifetime maximum apply to their benefits, generally \$1,000,000.

Coverage for selected medical services varied:

- All of the participants in medical care plans had coverage for hospital room and board; virtually all medical care participants were covered by physicians visits in the hospital, surgery, and x-ray and laboratory services;
- Coverage for alternatives to hospitalization, such as stays in an extended care facility and home health care, was available to over four-fifths of medical participants; it was more common for these 2 alternatives to hospitalization to be covered under HMO's than non-HMO's.

A variety of managed care features were included in medical care plans. For example, 74 percent of workers covered by non-HMO plans were required to get preadmission certification before entering the hospital. Second surgical opinion provisions applied to 75 percent of the non-HMO participants; the majority of these plan enrollees were assessed penalties for not obtaining second opinions. Ninety-six percent of all PPO participants had hospital room and board coverage treated more generously if care was received at specified hospitals; it was somewhat less likely for surgery, physicians services, and outpatient prescription drugs to be subject to an incentive for using preferred providers.

Prescription drug coverage was provided to nearly all workers in medical care plans.

- One-fourth of prescription drug participants received higher reimbursement for obtaining generic rather than brand name prescriptions;
- Mail order drug programs were also available to one-fourth of workers who had prescription drug coverage;
- It was more likely for non-HMO participants to have prescription drug coverage than HMO participants;
- Prescription drugs were rarely covered in full.

Though available to nearly all participants, mental health coverage and alcohol and drug abuse treatment had more restrictive provisions than other ailments. Of the medical care participants with mental health benefits, 85 percent had more restrictive hospital

coverage for mental illness than for other ailments; coverage was even more restrictive for mental health care outside of the hospital.

Other medical features reveal:

- 44 percent of full-time participants were required to complete an eligibility requirement before being able to join the plan, usually 3 months or less;
- 53 percent of non-HMO participants were subject to a "pre-existing condition" clause upon joining the plan;
- 52 percent of participants were in plans that provided medical care coverage after retirement.

Among dental care participants:

- Virtually all workers had coverage for preventive and restorative dental procedures, and just over seven-tenths had coverage for orthodontia;
- The overwhelming majority of participants were reimbursed by a percent of the usual, customary, and reasonable charge for all dental procedures;
- 44 percent of participants had to contribute toward the cost of their individual coverage, and 66 percent were required to contribute toward family coverage;
- 64 percent of workers were in plans that specified a deductible amount before any benefits were paid by the plan, most commonly, \$50 per year;
- 83 percent of participants were in plans that specified an annual maximum benefit; the most prevalent limit was \$1,000 per year;
- Among participants with orthodontic services, 86 percent were subject to a separate lifetime maximum benefit, most commonly \$1,000.

Data for vision care participants reveal:

- All participants had coverage for eyeglasses; with few exceptions vision care participants had coverage for eye examinations and for contact lenses;
- The overwhelming majority of vision participants had their coverage subject to limitations; in most cases the participants were subject to a scheduled dollar allowance per benefit.

Life insurance

Life insurance protection was available to 91 percent of full-time employees in medium and large establishments in 1993. (See chapter 5.) Among full-time employees with life insurance protection:

- 13 percent were required to contribute toward coverage;
- 58 percent were covered by a multiple-of-earnings formula, most commonly one or two times earnings; this formula was more prevalent among white-collar workers than blue-collar workers;
- A flat dollar amount of insurance, regardless of earnings, covered 41 percent of participants; this type of benefit was more common among blue-collar workers than among white-collar workers;
- Three-fifths had benefits supplementing basic insurance, with the employee paying the full cost in the majority of cases;
- Three-fifths of the participants had dependent life insurance protection; three-fifths of those employees had to pay the full cost of coverage;

Accidental death and dismemberment insurance was available to 76 percent of full-time employees. This insurance provides additional benefits if a worker dies or loses an eye or a limb in an accident.

Defined benefit and defined contribution plans

Nearly four-fifths of all full-time workers were covered by at least one retirement plan in 1993. Defined benefit plans, which specify a formula for determining future benefits, were available to about three-fifths of full-time employees in medium and large establishments. (See chapter 6.)

Seventy-two percent of participants in traditional defined benefit pension plans were in plans with formulas based on earnings. The most common formula was based on earnings during the final years of employment (terminal-earnings formulas), such as the last 5 consecutive years.

Slightly more than half of participants in plans with terminal-earnings formulas had benefits that varied by service, earnings, or by both; virtually all of the remaining participants in these plans received a flat percent of earnings, averaging 1.48 percent per year of service.

White-collar participants more commonly were covered by plans with earnings-based formulas, and more commonly had benefits coordinated with Social Security. Blue-collar workers, in contrast, were often covered by formulas that specified a dollar amount to be paid for each year of service, and seldom had benefits integrated with Social Security. Dollar amount formulas, averaging about \$24.76 a month per year of service, applied to just over one-fifth of pension plan participants.

Other key findings for defined benefit participants include:

- 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, and age 62 with 10 years of service;
- 82 percent of covered workers could retire with a reduced pension at age 55 or earlier, most often after 5 to 10 years of service;
- 7 of 10 pension plan participants were covered by some type of disability retirement, commonly with provisions for immediate unreduced benefits;
- 83 percent of pension plan participants could become vested or had a guaranteed right to their accrued pension benefits after working 5 years;
- About one-tenth of covered workers were in plans that allowed portability or transfer of pension credits from one employer to another.

Using defined benefit pension formulas reported in the 1993 survey, straight-life annuity replacement rates (those with no survivor protection) were calculated for specified earnings levels and service periods at selected ages. For example, 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 22 percent of final salary. In contrast, at age 65, the average pension equaled 30 percent of final salary, and nearly 65 percent when primary Social Security benefits were included. (See table 147.)

Other major findings include:

- Pension replacement rates in the private sector decline as final earnings increase; formulas that specify a flat dollar amount per year of service regardless of earnings tend to reduce the replacement rates for the higher earnings levels;
- Replacement rates decline for workers retiring at younger ages; most private pension plans have provisions for reducing payments to workers who retire early to account for the receipt of benefits over a longer time.

Replacement rates were also calculated to account for pension benefits provided to a surviving spouse. The following estimates reflect the reduction to the retiree's pension replacement rate for the joint-and-survivor benefit option and the subsequent survivor annuity after 30 years of plan participation.

<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	27.0	24.0	12.2
\$35,000	22.2	19.7	9.9
\$55,000	21.0	18.7	9.4
<i>Age 62</i>			
\$15,000	35.5	31.9	16.4
\$35,000	28.8	25.9	13.2
\$55,000	27.3	24.5	12.4
<i>Age 65</i>			
\$15,000	36.8	33.1	17.0
\$35,000	30.0	27.0	13.8
\$55,000	28.8	25.8	13.1

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 one-half of the full-time workers and were more prevalent among white-collar than blue-collar workers. (See chapter 7.)

The most frequently observed types of defined contribution plans were savings and thrift plans and deferred profit-sharing plans. Twenty-nine percent of full-time workers were enrolled in a savings and thrift plan, while 13 percent of full-time workers were covered by a deferred profit-sharing plan.

Major highlights include:

- 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;
- Nine out of 10 participants in savings and thrift plans could choose how they wanted their own contributions invested; 6 of 10 could choose how they wanted employer contributions invested;
- Prior to normal payout at retirement, disability, or termination of employment, nearly one-half of the participants in savings and thrift plans were allowed to withdraw all or a portion of employer contributions;

- Nearly one-half of participants in savings and thrift plans were allowed to borrow from their accounts, usually at any time;
- Two-fifths of the participants covered by deferred profit-sharing plans were in plans that based employer contributions on a specific formula; the remainder were in plans with discretionary employer contributions;
- Four-fifths of savings and thrift participants had to meet a minimum age or service requirement before beginning to accumulate benefits, and just over nine-tenths of deferred profit-sharing plan participants had to meet such requirements; most plans required a minimum amount of service, commonly 1 year, but did not require an employee to be a designated minimum age.

A large majority of employees enrolled in one or more defined contribution plans were allowed to choose between receiving currently taxable income or deferring taxation by placing the money in a retirement account. These cash or deferred arrangements, popularly known as 401(k) plans, usually took the form of salary reduction plans with employer contributions. Key findings include:

- Nearly all participants in savings and thrift plans are covered by 401(k) plan features;
- 9 of 10 employees participating in 401(k) salary reduction plans could make pretax contributions, commonly 10, 15, and 16 percent of earnings; maximum pretax contributions averaged 12.5 percent;
- One-half of employees in 401(k) salary reduction plans were allowed to transfer or "rollover" distributions received from a plan of a former employer.

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. (See chapter 8.) Among full-time employees, 12 percent had flexible-benefits plans, and 52 percent were covered by employer-sponsored reimbursement accounts.

Reimbursement accounts allow employees to use pretax dollars to pay for certain expenses not covered by benefit plans. Included in these expenses are premiums for insurance benefits, typically health care benefits. Such plans are frequently referred to as premium conversion plans. Forty-seven percent of full-time employees were covered by premium conversion plans. This included plans designed just for premium

conversion and those allowing reimbursement of other expenses as well.

In addition:

- About two-thirds of employees eligible for reimbursement accounts could allocate funds for medical care deductibles, coinsurances, and other health expenses not covered by their medical plan;
- 77 percent could use money from these accounts to pay for dependent care expenses.

Other benefits

In addition to the major benefits just described, the survey estimated the incidence of 22 other benefits (tables 3-4). 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, data reveal the following for full-time employees:

- About three-fourths were eligible for job-related educational assistance;
- Non-job related educational assistance was only offered to about one-fourth of workers;
- 37 percent were eligible to be in employee wellness programs;
- Employee assistance programs were available to 62 percent of the workers;

- Such benefits as long-term care insurance, and child care benefits, were offered to less than 1 out of 10 workers.

Plan administration

In addition to collecting the data on individual benefit plans, the survey explored how insurance and retirement benefits were administered and financed (tables 5-6). At least nine-tenths of full-time participants were in single-employer plans for life insurance, health care, long-term disability insurance, and defined benefit pension plans. Four-fifths of sickness and accident insurance participants were in single-employer plans. Most of the remaining employees with sickness and accident insurance were covered by State temporary disability insurance plans in New York and New Jersey.

Generally, there were more participants in wholly employer-financed plans than in partly employer-financed plans, with the exception of medical care. A greater proportion of workers with medical care coverage had plans partly financed by the employer (for both single and family coverage) than had wholly employer-financed plans. Sixty-one percent of full-time workers with medical benefits had to contribute toward the cost of individual coverage; 76 percent had to contribute toward the cost of family coverage.

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 first row 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 82 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 61, 100 percent refers to those workers with medical care plans, and 50 percent indicates those workers with medical care covered by a fee-for-service plan.

Another type of table estimate presented throughout the bulletin displays average benefit values rather than percentages of workers. These averages are presented for all covered workers; averages exclude workers without the plan provision.

Appendix A discusses all of these data calculations in more detail.

**Table 1. Summary: Participation¹ in selected employee benefit programs, full-time employees, medium and large private establishments, 1993
(In percent)**

Benefit	All employees	Professional, technical, and related employees	Clerical and sales employees	Blue-collar and service employees	Benefit	All employees	Professional, technical, and related employees	Clerical and sales employees	Blue-collar and service employees
Paid time off:					Health care benefits:				
Holidays	91	89	93	92	Medical care	82	84	79	82
Vacations	97	97	98	96	Dental care	62	68	63	58
Personal leave	21	27	31	13	Vision care	26	27	26	27
Lunch period	9	5	5	13	Outpatient prescription drug coverage	80	83	78	80
Rest time	68	54	66	76	Retirement income benefits:				
Funeral leave	83	86	85	80	All retirement ²	78	83	78	76
Jury duty leave	90	95	92	85	Defined benefit	56	57	54	56
Military leave	53	66	54	44	Defined contribution	49	60	54	40
Maternity leave	3	4	3	1	Savings and thrift	29	38	34	21
Paternity leave	1	2	1	(³)	Deferred profit sharing	13	12	16	12
Unpaid time off:					Employee stock ownership	3	3	4	2
Maternity leave	60	63	60	59	Money purchase pension	8	13	7	6
Paternity leave	53	55	51	52	Stock bonus	(³)	(³)	(³)	(³)
Disability benefits:					Cash or deferred arrangements:				
Short-term disability protection	87	91	90	83	With employer contributions	36	46	44	26
Paid sick leave	65	85	80	45	Salary reduction	35	46	43	25
Sickness and accident insurance	44	28	37	57	Savings and thrift	29	38	33	21
Long-term disability insurance	41	64	50	23	Deferred profit sharing	4	3	6	3
Survivor benefits:					Other ⁴	3	5	3	2
Life insurance	91	95	92	89	Deferral of profit sharing allocation	1	1	1	1
Accidental death and dismemberment	69	73	65	69	No employer contributions	7	10	6	6
Survivor income benefits	5	6	4	4	Other benefits:				
					Stock option	(³)	(³)	(³)	(³)
					Stock purchase	2	3	2	1
					Cash profit sharing	4	2	1	6

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

full premium are outside the scope of the survey. Only current employees are counted as participants; retirees are excluded.

² 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.

³ Less than 0.5 percent.

⁴ Includes money purchase and employee stock ownership plans.

Table 2. Summary: Participation¹ in selected employee benefit programs, full-time employees, medium and large private establishments, 1993

Benefit	All employees	Professional, technical, and related employees	Clerical and sales employees	Blue-collar and service employees
Total number of employees	28,728,207	7,745,345	7,339,191	13,643,670
Paid time off:				
Holidays	26,271,303	6,929,865	6,819,931	12,521,508
Vacations	27,829,003	7,477,392	7,205,774	13,145,837
Personal leave	6,089,992	2,056,846	2,269,572	1,763,574
Lunch period	2,522,681	420,719	332,041	1,769,921
Rest time	19,453,776	4,211,740	4,848,343	10,393,693
Funeral leave	23,832,137	6,683,702	6,233,393	10,915,043
Jury duty leave	25,747,490	7,390,797	6,741,070	11,615,623
Military leave	15,144,944	5,105,639	3,992,331	6,046,975
Maternity leave	732,491	341,090	211,019	180,382
Paternity leave	302,735	148,982	105,521	48,232
Unpaid time off:				
Maternity leave	17,357,504	4,870,932	4,370,956	8,115,617
Paternity leave	15,111,189	4,229,838	3,752,382	7,128,968
Disability benefits:				
Short-term disability protection	24,954,858	7,039,406	6,604,948	11,310,504
Paid sick leave	18,626,548	6,581,607	5,882,161	6,162,780
Sickness and accident insurance	12,698,793	2,148,116	2,741,820	7,808,857
Long-term disability insurance	11,827,189	4,958,922	3,670,793	3,197,474
Survivor benefits:				
Life insurance	26,175,130	7,369,023	6,724,216	12,081,891
Accidental death and dismemberment	19,794,576	5,620,420	4,772,141	9,402,015
Survivor income benefits	1,422,259	503,122	319,191	599,946
Health care benefits:				
Medical care	23,519,250	6,528,529	5,818,718	11,172,003
Dental care	17,704,449	5,233,039	4,620,122	7,851,288
Vision care	7,605,647	2,110,365	1,872,916	3,622,366
Outpatient prescription drug coverage	23,118,335	6,408,016	5,728,097	10,982,222
Retirement income benefits:				
All retirement ²	22,507,806	6,452,284	5,752,295	10,303,226
Defined benefit	16,015,138	4,404,634	3,939,401	7,671,103
Defined contribution	14,039,204	4,609,028	3,926,710	5,503,467
Savings and thrift	8,283,586	2,932,946	2,470,487	2,880,152
Deferred profit sharing	3,776,541	938,504	1,208,586	1,629,450
Employee stock ownership	842,330	270,394	299,930	272,007
Money purchase pension	2,364,667	1,020,982	537,294	806,391
Stock bonus	7,109	896	1,253	4,959
Cash or deferred arrangements:				
With employer contributions	10,360,303	3,585,678	3,204,133	3,570,493
Salary reduction	10,122,654	3,530,746	3,136,797	3,455,111
Savings and thrift	8,198,458	2,920,042	2,457,140	2,821,276
Deferred profit sharing	1,062,281	251,731	447,016	363,534
Other ³	861,915	358,973	232,641	270,301
Deferral of profit sharing allocation	237,649	54,932	67,335	115,381
No employer contributions	1,970,492	739,176	435,398	795,917
Other benefits:				
Stock option	24,831	2,821	6,939	15,071
Stock purchase	518,179	241,602	136,834	139,744
Cash profit sharing	1,034,225	167,078	87,947	779,201

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 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.

³ Includes money purchase and employee stock ownership plans.

Table 3. Other benefits: Eligibility for specified benefits, full-time employees, medium and large private establishments, 1993 (In percent)

Benefit	All employees	Professional, technical, and related employees	Clerical and sales employees	Blue-collar and service employees
Income continuation plans:				
Severance pay	42	56	48	31
Supplemental unemployment benefits	4	1	1	7
Family benefits:				
Employer assistance for child care	7	12	6	4
Adoption financial assistance	7	11	9	4
Eldercare	31	33	32	30
Long-term care insurance	6	8	8	3
Health promotion programs:				
In-house infirmary	32	41	24	32
Wellness programs	37	51	38	29
Employee assistance programs	62	74	64	53
Miscellaneous benefits:				
Employer-subsidized recreation facilities	27	38	24	22
Job-related travel accident insurance	44	59	52	32
Nonproduction bonuses	38	37	38	38
Prepaid legal services	7	5	6	8
Education assistance:				
Job-related	72	85	72	65
Not job-related	22	26	22	20
Flexible benefit plans	12	21	13	6
Reimbursement accounts	52	68	62	37

Table 4. Other benefits: Eligibility for specified benefits, full-time employees, medium and large private establishments, 1993

Benefit	All employees	Professional, technical, and related employees	Clerical and sales employees	Blue-collar and service employees
Total number of employees	28,728,207	7,745,345	7,339,191	13,643,670
Income continuation plans:				
Severance pay	12,090,820	4,359,576	3,545,013	4,186,232
Supplemental unemployment benefits	1,216,266	106,399	90,604	1,019,263
Family benefits:				
Employer assistance for child care	1,918,382	941,699	465,114	511,569
Adoption financial assistance	1,983,285	830,098	632,689	520,499
Eldercare	9,003,023	2,574,987	2,384,434	4,043,603
Long-term care insurance	1,618,730	653,430	558,893	406,407
Health promotion programs:				
In-house infirmary	9,228,463	3,141,580	1,752,318	4,334,566
Wellness programs	10,647,073	3,921,672	2,789,704	3,935,697
Employee assistance programs	17,688,356	5,736,546	4,698,951	7,252,860
Miscellaneous benefits:				
Employer-subsidized recreation facilities	7,658,068	2,918,795	1,777,522	2,961,751
Job-related travel accident insurance	12,771,262	4,555,449	3,835,565	4,380,248
Nonproduction bonuses	10,793,340	2,869,952	2,782,305	5,141,082
Prepaid legal services	1,912,102	388,845	421,728	1,101,529
Education assistance:				
Job-related	20,773,936	6,575,782	5,318,427	8,879,726
Not job-related	6,308,569	2,001,822	1,582,504	2,724,243
Flexible benefit plans	3,345,312	1,599,367	942,202	803,743
Reimbursement accounts	14,849,030	5,279,446	4,555,168	5,014,416

Table 5. Plan administration: Type of plan sponsor for selected employee benefit programs, full-time employees, medium and large private establishments, 1993 (In percent)

Plan sponsor	Medical care	Life insurance	Sickness and accident insurance	Long-term disability insurance	Defined benefit pension	Savings and thrift
All participants						
Total	100	100	100	100	100	100
Single employer	94	95	81	99	90	100
Multiemployer ¹	6	5	4	(²)	8	-
Employer association ³	(²)	(²)	(²)	1	(²)	-
Mandated benefits ⁴	(²)	(²)	16	-	2	-
Professional, technical, and related						
Total	100	100	100	100	100	100
Single employer	98	99	77	99	96	100
Multiemployer ¹	2	1	1	(²)	3	-
Employer association ³	(²)	(²)	(²)	1	(²)	-
Mandated benefits ⁴	(²)	-	23	-	1	-
Clerical and sales						
Total	100	100	100	100	100	100
Single employer	96	97	77	100	95	100
Multiemployer ¹	3	3	2	(²)	4	-
Employer association ³	1	(²)	-	(²)	1	-
Mandated benefits ⁴	-	-	21	-	(²)	-
Blue-collar and service						
Total	100	100	100	100	100	100
Single employer	91	92	83	100	84	100
Multiemployer ¹	9	8	5	(²)	12	-
Employer association ³	(²)	(²)	(²)	(²)	(²)	-
Mandated benefits ⁴	-	(²)	12	-	3	-

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

² Less than 0.5 percent.

³ 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.

⁴ The majority of the participants with mandated sickness and acci-

dent insurance benefits were covered by State temporary disability insurance plans. The remaining employees were covered by the Railroad Unemployment Insurance Act. Mandated defined benefit pension plan participants were covered by Railroad Retirement Tier 2.

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

Table 6. Plan financing: Source of contributions for selected employee benefit programs, full-time employees, medium and large private establishments, 1993 (In percent)

Plan financing	All employees	Professional, technical, and related employees	Clerical and sales employees	Blue-collar and service employees
Medical care for employees	100	100	100	100
Wholly employer financed	37	31	32	44
Partly employer financed	61	67	65	55
Not determinable	2	2	3	1
Medical care for family	100	100	100	100
Wholly employer financed	21	15	17	28
Partly employer financed	76	82	79	70
Not determinable	3	3	4	2
Dental care for employees	100	100	100	100
Wholly employer financed	44	35	39	53
Partly employer financed	54	63	59	46
Not determinable	2	2	2	2
Dental care for family	100	100	100	100
Wholly employer financed	31	23	26	39
Partly employer financed	66	76	71	58
Not determinable	3	2	3	3
Life insurance	100	100	100	100
Wholly employer financed	87	84	87	89
Partly employer financed	13	16	12	11
Not determinable	(¹)	(¹)	1	(¹)
Sickness and accident insurance	100	100	100	100
Wholly employer financed	75	65	67	81
Partly employer financed	25	34	32	19
Not determinable	(¹)	1	(¹)	(¹)
Long-term disability insurance	100	100	100	100
Wholly employer financed	73	69	71	80
Partly employer financed	27	31	28	20
Not determinable	(¹)	(¹)	1	(¹)
Defined benefit pension	100	100	100	100
Wholly employer financed	97	98	98	97
Partly employer financed	3	2	2	3

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.

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

The majority of full-time employees work 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. The EBS covers 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 are also surveyed. (Information on paid sick leave is discussed under Disability Benefits and appears in chapter 3.)

Work schedules

Weekly work schedules of 40 hours are predominant among the full-time employees covered by the survey of medium and large private establishments. However, alternatives, such as 35 or 37½ hours per week, are found among white-collar workers. A large majority of the workforce is scheduled to work five 8-hour days (table 7).

A small but growing number of workers studied have formal flexible work arrangements, which give employees the opportunity to begin and end work within a range of hours (table 8). Limits on the amount of flexibility vary from plan to plan but, generally, employees have to be at work during midday core hours. White-collar workers are more likely to have flexible work schedules than are blue-collar workers.

Paid time off

Paid lunch and rest periods. Although formal paid lunch periods are seldom provided, most employees are provided formal rest time, such as coffee breaks and cleanup time (tables 9-10). Both benefits are more prevalent among blue-collar workers than among white-collar workers.

Most blue-collar employees who are eligible receive paid lunch periods of 20 or 30 minutes per day; their white-collar counterparts usually receive 30 minutes each day. Paid rest time is often provided as two daily breaks of 10 or 15 minutes each.

Paid holidays. Paid holidays, commonly 10 days or so per year, are provided to nearly all full-time employees. Floating holidays and "personal holidays," such as employee birthdays, are included in the holiday plans reported (tables 11-13).

Paid holidays generally commemorate patriotic, cultural, or religious events. Among the paid holidays commonly received are:

- New Year's Day;
- Memorial Day;
- Independence Day;
- Labor Day;
- Thanksgiving Day; and
- Christmas Day.

Employers may provide additional days for some holidays, such as the day after Thanksgiving.

When a holiday falls on a scheduled day off, such as a Saturday or Sunday, another day off is regularly granted to most employees receiving paid holidays. The remaining workers usually receive either another day off or an additional day's pay, depending on when the holiday falls.

Paid vacations. Paid vacations are provided to virtually all full-time employees (table 14). Common vacation pay provisions for all employees are 5 or 10 days at 1 year of service, 15 or 20 days at 10 years, and 20 to 30 days at 20 years or more. Plans covering white-collar employees, on average, provide slightly more vacation days than those for blue-collar employees.

In cases when holiday, vacation, sick, or personal leave are combined under one leave category and can not be shown separately, the total amount of leave is 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.

Almost all white-collar employees receive their regular salaries or earnings during vacation periods. Most blue-collar employees also receive their regular pay; the remainder receive 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, are included in the count of regular vacation time.

Virtually all vacation plans require workers to complete a specified period of time before being able to take a vacation (table 15). The most prevalent length-of-service requirements are 6 months or 1 year.

The survey also examines carryover and cash-in provisions for unused vacation time (tables 16-17). Many full-time workers are allowed to carry over at least some of their unused vacation days into the next year; others can cash in some or all of their vacation days at the end of the year. Workers without carryover and cash-in coverage lose unused vacation days at the end of the year. White-collar workers are more likely to have carryover provisions than blue-collar workers, who, in turn, are more likely to receive cash-in provisions.

Paid personal leave. While nearly all employers provide paid vacations, few provide formal personal leave (table 18). Such leave allows employees to be absent from work with pay for a variety of reasons not covered by other specific leave plans. Most commonly, employees provided personal leave are eligible for 1 to 5 days per year. A few employees are provided as much personal leave as needed.

Paid funeral leave, jury-duty leave, and military leave. A large majority of full-time workers are eligible for paid leave to attend funerals of family members (table 19). Eligible employees usually receive a set number of days, such as 3 days, per occurrence. However, some plans vary the number of days off by family relationship to the deceased. For example, a plan may provide 3 days off for the death of a spouse, parent, or child, and 1 day off for the death of other relatives. For employees who do not have a funeral leave plan, some 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.

Most workers are eligible for paid leave while serving as a juror (table 20). Paid time off for jury duty is usually provided "as needed"; employer payments

commonly make 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, is available in many establishments (table 21). A common provision is 2 weeks off per year, but some workers are in establishments providing paid military leave as needed. Pay for military leave is either regular pay or the difference between regular pay and military pay.

Parental leave

The survey defines parental leave as paid or unpaid time off for a new mother or father to use to care for a child (tables 22-23). These plans are separate from an employee's other leave plans, such as sick leave and paid vacations, which might also be used to care for a newborn child. Unpaid maternity and paternity leave generally can be taken after regular paid leave is used, and can continue for a fixed period of time. Employees can expect to return to their own or similar jobs following leave. Paid parental leave is rare.³

As a result of the Family and Medical Leave Act of 1993, employers with 50 or more employees are required, effective August 5, 1993, to provide 12 unpaid workweeks of leave during any 12-month period for various family matters, including parental leave.⁴ (Much of the data for this survey was collected prior to the effective date of this legislation.) In addition, various States require employers to provide a minimum amount of unpaid parental leave, such as 6 weeks in Minnesota and Wisconsin, and 4 months in California.

³ For additional details on parental leave plans, see Joseph R. Meisenheimer, "Employer Provisions for Parental Leave," *Monthly Labor Review*, October 1989, pp. 20-24.

⁴ For more information, see "Parental Leave Benefits Provided by Employers," *Issues in Labor Statistics*, Summary 93-1, Bureau of Labor Statistics, 1993.

Table 7. Work schedules: Percent of full-time employees by hours scheduled per week and per day, medium and large private establishments, 1993

Work schedule	All employees	Professional, technical, and related employees	Clerical and sales employees	Blue-collar and service employees
All types	100	100	100	100
Hours per week:				
Under 35	2	1	1	2
35	4	5	6	3
Over 35 and under 37.5	1	2	2	1
37.5	6	7	9	4
Over 37.5 and under 40	2	2	4	2
40	82	80	77	86
Over 40	2	2	1	2
Hours per day:				
Under 7	2	1	1	2
7	4	5	6	3
Over 7 and under 8	9	10	14	6
8	82	80	77	86
Over 8 and under 9	(¹)	1	(¹)	(¹)
9 and under 10	1	1	1	(¹)
10	1	(¹)	(¹)	1
Over 10	1	1	(¹)	2

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 8. Work schedule: Percent of full-time employees by type of work schedule, medium and large private establishments, 1993

Work Schedule	All employees	Professional, technical, and related employees	Clerical and sales employees	Blue-collar and service employees
Total	100	100	100	100
With fixed work schedule	94	91	94	95
With flexible work schedule	4	6	5	2
With rotating work schedule	1	1	(¹)	1
With non-fixed work schedule	1	2	1	1
Data not available	1	1	1	1

¹ Less than 0.5 percent.

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

Table 9. Paid lunch time: Percent of full-time employees by minutes of paid lunch time per day, medium and large private establishments, 1993

Minutes per day	All employees	Professional, technical, and related employees	Clerical and sales employees	Blue-collar and service employees
Total with paid lunch time	100	100	100	100
Under 20 minutes	6	4	3	7
20 minutes	28	4	9	37
Over 20 and under 30 minutes	2	-	2	2
30 minutes	45	57	36	44
Over 30 minutes	13	27	37	5
Number of minutes not available	6	9	13	4

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

Table 10. Paid rest time: Percent of full-time employees by minutes of paid rest time per day, medium and large private establishments, 1993

Minutes per day	All employees	Professional, technical, and related employees	Clerical and sales employees	Blue-collar and service employees
Total with paid rest time	100	100	100	100
Under 15 minutes	1	1	1	2
15 minutes	5	5	4	5
20 minutes	31	27	22	36
Over 20 and under 30 minutes	2	1	1	4
30 minutes	57	64	70	49
40 minutes	1	1	(¹)	1
Over 40 minutes	2	(¹)	(¹)	3
Number of minutes not available	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 11. Paid holidays and vacations: Average number of days for full-time employees, medium and large private establishments, 1993

Item	All employees	Professional, technical, and related employees	Clerical and sales employees	Blue-collar and service employees
Paid holidays	10.2	10.6	10.3	9.9
Paid vacation by minimum length of service requirement: ¹				
At 1 year ²	9.4	12.0	9.6	7.9
At 3 years	11.2	12.9	11.2	10.3
At 5 years	13.6	15.6	13.8	12.3
At 10 years	16.6	18.4	16.7	15.5
At 15 years	18.8	20.4	19.2	17.6
At 20 years	20.4	22.0	20.5	19.5
At 25 years	21.6	23.2	21.6	20.6
At 30 years ³	21.9	23.6	21.9	20.9

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.

Table 12. Paid holidays: Percent of full-time employees by number of paid holidays provided each year, medium and large private establishments, 1993

Number of days	All employees	Professional, technical, and related employees	Clerical and sales employees	Blue-collar and service employees
Total with paid holidays	100	100	100	100
Under 5 days	1	(¹)	1	2
5 days	2	1	2	2
5.1 - 5.9 days	(¹)	(¹)	(¹)	-
6 days	11	8	15	11
6.1 - 6.9 days	(¹)	(¹)	(¹)	(¹)
7 days	8	6	9	8
7.1 - 7.9 days	(¹)	(¹)	(¹)	(¹)
8 days	12	11	13	12
8.1 - 8.9 days	(¹)	(¹)	(¹)	(¹)
9 days	11	10	12	11
9.1 - 9.9 days	(¹)	(¹)	1	(¹)
10 days	21	23	20	21
10.1 - 10.9 days	1	1	2	1
11 days	16	21	14	14
11.1 - 11.9 days	(¹)	(¹)	1	(¹)
12 days	7	9	6	5
12.1 - 12.9 days	1	1	(¹)	(¹)
13 days	4	4	2	4
Over 13 days	4	2	2	6
Number of days not available	(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 13. Paid holidays: Percent of full-time employees by policy on holidays that fall on a regularly scheduled day off, medium and large private establishments, 1993

Holiday policy	All employees	Professional, technical, and related employees	Clerical and sales employees	Blue-collar and service employees
Total with paid holidays	100	100	100	100
Holiday is not observed	2	2	2	2
Another day off is granted	79	82	83	75
Additional day's pay in lieu of holiday	5	2	4	8
Another day off or day's pay, depending on when holiday falls	9	11	6	11
Another day off or holiday not observed, depending on when holiday falls	2	1	2	3
Other provision applies ¹	1	1	1	1
Holiday policy not determinable	1	1	2	1

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 14. Paid vacations: Percent of full-time employees by amount of paid vacation days provided for selected periods of service, medium and large private establishments, 1993

Vacation policy	All employees	Professional, technical, and related employees	Clerical and sales employees	Blue-collar and service employees	Vacation policy	All employees	Professional, technical, and related employees	Clerical and sales employees	Blue-collar and service employees
Total with paid vacations ¹	100	100	100	100	After 5 years of service:				
Vacation days by minimum length-of-service requirement ²					Under 5 days	(¹)	(¹)	(¹)	(¹)
After 1 year of service:					5 days	2	(¹)	1	3
Under 5 days	1	(¹)	(¹)	1	Over 5 and under 10 days	1	(¹)	(¹)	1
5 days	32	7	25	50	10 days	39	21	34	51
Over 5 and under 10 days	1	1	1	2	Over 10 and under 15 days	6	9	6	5
10 days	51	63	62	39	15 days	40	46	47	33
Over 10 and under 15 days	2	4	3	1	Over 15 and under 20 days	2	3	3	2
15 days	5	9	2	3	20 days	4	10	3	2
Over 15 and under 20 days	2	3	2	1	Over 20 and under 25 days	2	4	2	1
20 days	2	5	1	(¹)	25 days	1	2	(¹)	(¹)
Over 20 and under 25 days	2	4	2	1	Over 25 and under 30 days	1	3	1	(¹)
25 days	1	1	1	(¹)	30 days	(¹)	1	(¹)	(¹)
Over 25 and under 30 days	1	1	1	(¹)	Over 30 days	1	3	2	1
30 days	(¹)	(¹)	(¹)	(¹)	After 10 years of service:				
Over 30 days	(¹)	1	(¹)	(¹)	Under 5 days	(¹)	(¹)	(¹)	(¹)
After 3 years of service:					5 days	1	(¹)	1	2
Under 5 days	(¹)	(¹)	(¹)	1	Over 5 and under 10 days	(¹)	-	(¹)	(¹)
5 days	4	1	2	8	10 days	7	3	5	10
Over 5 and under 10 days	2	1	1	4	Over 10 and under 15 days	2	1	1	4
10 days	72	62	79	73	15 days	56	46	60	60
Over 10 and under 15 days	5	6	4	5	Over 15 and under 20 days	5	5	4	5
15 days	8	12	6	6	20 days	21	30	22	15
Over 15 and under 20 days	2	4	2	1	Over 20 and under 25 days	2	4	3	1
20 days	2	6	2	1	25 days	1	2	1	(¹)
Over 20 and under 25 days	2	3	1	1	Over 25 and under 30 days	1	3	1	1
25 days	(¹)	1	(¹)	(¹)	30 days	(¹)	1	(¹)	(¹)
Over 25 and under 30 days	1	2	1	(¹)	Over 30 days	2	5	2	1
30 days	(¹)	1	(¹)	(¹)	After 15 years of service:				
Over 30 days	1	1	1	(¹)	Under 5 days	(¹)	(¹)	(¹)	(¹)
					5 days	1	(¹)	1	2
					Over 5 and under 10 days	(¹)	-	(¹)	(¹)

See footnotes at end of table.

Table 14. Paid vacations: Percent of full-time employees by amount of paid vacation days provided for selected periods of service, medium and large private establishments, 1993—Continued

Vacation policy	All employees	Professional, technical, and related employees	Clerical and sales employees	Blue-collar and service employees	Vacation policy	All employees	Professional, technical, and related employees	Clerical and sales employees	Blue-collar and service employees
After 15 years of service—Continued					After 25 years of service:				
10 days	4	2	3	6	Under 5 days	(¹)	(¹)	(¹)	(¹)
Over 10 and under 15 days	1	(¹)	(¹)	1	5 days	1	(¹)	1	2
15 days	25	15	21	33	Over 5 and under 10 days	(¹)	-	(¹)	(¹)
Over 15 and under 20 days	4	5	4	3	10 days	4	2	3	6
20 days	53	57	60	46	Over 10 and under 15 days	(¹)	(¹)	(¹)	(¹)
Over 20 and under 25 days	3	4	2	2	15 days	13	7	13	18
25 days	3	5	3	2	Over 15 and under 20 days	1	1	(¹)	1
Over 25 and under 30 days	2	3	2	1	20 days	35	36	39	33
30 days	1	2	(¹)	(¹)	Over 20 and under 25 days	2	3	2	2
Over 30 days	3	6	3	1	25 days	31	34	31	28
After 20 years of service:					Over 25 and under 30 days	3	4	3	2
Under 5 days	(¹)	(¹)	(¹)	(¹)	30 days	5	5	4	5
5 days	1	(¹)	1	2	Over 30 days	4	8	3	2
Over 5 and under 10 days	(¹)	-	(¹)	(¹)	After 30 years of service⁴				
10 days	4	2	3	6	Under 5 days	(¹)	(¹)	(¹)	(¹)
Over 10 and under 15 days	(¹)	(¹)	(¹)	1	5 days	1	(¹)	1	2
15 days	14	7	13	18	Over 5 and under 10 days	(¹)	-	(¹)	(¹)
Over 15 and under 20 days	1	1	1	1	10 days	4	2	3	6
20 days	50	51	56	46	Over 10 and under 15 days	(¹)	(¹)	(¹)	(¹)
Over 20 and under 25 days	4	5	3	3	15 days	13	7	13	18
25 days	18	21	16	18	Over 15 and under 20 days	1	1	(¹)	1
Over 25 and under 30 days	2	4	3	1	20 days	34	35	38	32
30 days	1	1	(¹)	1	Over 20 and under 25 days	2	3	2	2
Over 30 days	3	7	3	2	25 days	27	29	29	24
					Over 25 and under 30 days	3	4	3	2
					30 days	9	10	7	9
					Over 30 days	5	8	4	3

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

² Less than 0.5 percent.

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 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 15. Paid vacations: Percent of full-time employees by length of service required to take vacation, medium and large private establishments, 1993

Length of service requirement	All employees	Professional, technical, and related employees	Clerical and sales employees	Blue-collar and service employees
Total with paid vacations	100	100	100	100
With service requirement	92	87	93	95
1 month	8	13	7	6
2 months	1	1	1	1
3 months	7	9	9	6
4-5 months	1	1	1	(¹)
6 months	28	35	34	21
7-11 months	1	1	1	1
1 year	46	28	40	60
Over 1 year	(¹)	(¹)	(¹)	(¹)
Without service requirement	7	13	6	4
Service requirement not determinable	1	(¹)	(¹)	1

¹ Less than 0.5 percent.

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

Table 16. Paid vacations: Percent of full-time employees by unused vacation policy, medium and large private establishments, 1993

Policy	All employees	Professional, technical, and related employees	Clerical and sales employees	Blue-collar and service employees
Total with paid vacations	100	100	100	100
Carryover only	29	42	35	19
Cash-in only	10	5	6	15
Carryover and cash-in	8	12	9	6
Unused benefit lost	50	39	47	57
Data not available	2	2	3	3

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

Table 17. Paid vacations: Average number of days by length of service and cash-in/carryover provisions, full-time employees, medium and large private establishments, 1993

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	9.4	10.6	10.8	7.1	14.2	8.3
After 3 years	11.2	12.2	12.0	9.9	15.5	10.3
After 5 years	13.6	14.6	14.5	11.8	18.3	12.6
After 10 years	16.6	17.7	17.5	15.2	21.5	15.5
After 15 years	18.8	19.8	19.6	17.4	23.6	17.8
After 20 years	20.4	21.5	21.1	19.3	25.2	19.4
After 25 years	21.6	22.5	22.2	20.4	26.2	20.7
After 30 years ²	21.9	22.8	22.5	20.7	26.3	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 The average (mean) was essentially the same for longer lengths of service.

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

Table 18. Paid personal leave: Percent of full-time employees by number of paid personal leave days provided per year, medium and large private establishments, 1993

Number of days	All employees	Professional, technical, and related employees	Clerical and sales employees	Blue-collar and service employees
Total with paid personal leave	100	100	100	100
1 day	12	13	11	14
2 days	32	26	38	31
3 days	18	17	18	18
4 days	17	17	15	19
5 days	9	11	7	9
More than 5 days	5	5	5	6
No maximum specified ¹	6	10	6	2
Varies by length of service ²	7	4	7	11
Number of days not available	(³)	(³)	(³)	(³)
Average days per year	3	3	3	3

¹ Personal leave provided as needed.

² The maximum number of days provided was included in the distribution of personal leave days.

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 19. Paid funeral leave: Percent of full-time employees by number of paid funeral leave days available per occurrence, medium and large private establishments, 1993

Number of days	All employees	Professional, technical, and related employees	Clerical and sales employees	Blue-collar and service employees
Total with paid funeral leave	100	100	100	100
1 day	1	(¹)	1	1
2 days	3	2	2	5
3 days	73	68	70	78
4 days	4	4	3	4
5 days	13	17	16	8
More than 5 days	(¹)	(¹)	(¹)	(¹)
No maximum specified ²	4	6	5	3
Number of days not available	2	2	3	1
Number of days varies by relationship to deceased ³	23	22	22	24
Average days per occurrence	3	3	3	3

¹ Less than 0.5 percent.

² Funeral leave provided 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 20. 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, 1993

Number of days	All employees	Professional, technical, and related employees	Clerical and sales employees	Blue-collar and service employees
Total with paid jury-duty leave	100	100	100	100
Under 10 days	2	2	2	2
10 days	5	3	6	6
11-19 days	2	2	1	2
22-30 days	1	2	2	1
More than 30 days	1	(¹)	1	1
No maximum specified ²	87	89	85	86
Number of days not available	1	1	(¹)	(¹)

¹ Less than 0.5 percent.

² Jury-duty leave 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 21. Paid military leave: Percent of full-time employees by number of paid military leave days available per year, medium and large private establishments, 1993

Number of days	All employees	Professional, technical, and related employees	Clerical and sales employees	Blue-collar and service employees
Total with paid military leave	100	100	100	100
Under 10 days	2	2	3	2
10 days	51	54	51	49
11-14 days	8	7	10	7
15 days	8	6	5	12
16-19 days	2	3	2	2
20 days	2	3	2	1
21-29 days	1	1	(¹)	(¹)
30 days	2	3	2	2
More than 30 days	2	2	2	2
No maximum specified ²	20	17	21	21
Number of days not available	2	2	2	1
Average days year	14	14	13	14

¹ Less than 0.5 percent.

² Military leave 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 22. Parental leave: Percent of full-time employees by parental leave policy, medium and large private establishments, 1993

Employer leave policy	All employees	Professional, technical, and related employees	Clerical and sales employees	Blue-collar and service employees
Total	100	100	100	100
Eligible for parental leave ¹	63	66	62	60
Eligible for maternity leave	62	66	62	60
Paid days only	1	2	1	(²)
Unpaid days only	59	60	58	58
Both unpaid and paid days	2	3	2	1
Information not available on type of days	1	2	1	1
Not eligible for maternity leave	(²)	(²)	(²)	(²)
Eligible for paternity leave	54	56	53	53
Paid days only	(²)	(²)	1	(²)
Unpaid days only	52	53	50	52
Both unpaid and paid days	1	1	1	(²)
Information not available on type of days	1	1	1	(²)
Not eligible for paternity leave	9	10	10	8
Not eligible for parental leave	37	34	38	40

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 23. Unpaid maternity and paternity leave: Percent of eligible full-time employees by maximum duration of benefits, medium and large private establishments, 1993

Duration	All eligible employees	Professional, technical, and related employees	Clerical and sales employees	Blue-collar and service employees
Total with Unpaid Maternity Leave	100	100	100	100
Under 1 month	1	1	1	1
1 month	1	2	1	(²)
Over 1 but under 2 months	13	10	11	15
2 months	1	1	(²)	1
Over 2 but under 3 months	36	33	31	40
3 months	5	5	5	4
Over 3 but under 4 months	3	4	2	2
4 months	6	6	9	5
Over 4 but under 5 months	12	13	15	9
5 months	2	(²)	1	4
Over 5 but under 6 months	1	1	2	1
6 months	8	10	9	6
Over 6 but under 9 months	3	3	1	4
9 months	(²)	(²)	1	(²)
Over 9 but under 12 months	(²)	(²)	(²)	(²)
12 months	8	8	9	7
Over 12 but under 24 months	(²)	1	(²)	(²)
24 months	(²)	(²)	-	(²)
Over 24 months	1	2	1	(²)
Average months	4.30	4.94	4.32	3.90
Total with Unpaid Paternity Leave	100	100	100	100
Under 1 month	2	1	2	2
1 month	1	1	1	(²)
Over 1 but under 2 months	9	6	9	12
2 months	(²)	(²)	(²)	(²)
Over 2 but under 3 months	40	39	35	44
3 months	4	4	4	5
Over 3 but under 4 months	3	4	3	2
4 months	7	7	10	6
Over 4 but under 5 months	12	14	16	9
5 months	2	(²)	(²)	4
Over 5 but under 6 months	1	1	2	1
6 months	7	9	9	5
Over 6 but under 9 months	2	1	1	3
9 months	(²)	(²)	1	(²)
Over 9 but under 12 months	(²)	-	(²)	-
12 months	8	9	9	6
Over 12 but under 24 months	(²)	1	(²)	(²)
24 months	(²)	(²)	-	(²)
Over 24 months	1	2	1	(²)
Average months	4.28	5.09	4.30	3.80

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. (See tables at end of this chapter.) Among the disability benefit provisions included within the Employee Benefits Survey are:

- Waiting periods before benefits begin,
- Amount of benefits,
- Duration of benefits,
- Plan eligibility requirements.

Short-term disability protection, through sick leave, sickness and accident insurance, or both, is provided to a large majority of full-time employees in medium and large establishments (table 24). 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. (Some sick leave plans may provide days off at partial pay in addition to those at full pay. All sick leave tables shown at the end of this chapter exclude days paid at partial pay.)

Sick leave is provided to most full-time employees and sickness and accident insurance to a significant but smaller number of full-time workers. Some workers have both sick leave and sickness and accident insurance, with the two benefits coordinated. Coordination can take two forms: Starting insurance benefits after sick leave pay has ended, or paying both benefits concurrently. When payments are made from both sources, sick leave pay is reduced by the amount of the insurance benefits so that the total benefit does not exceed full salary. Regardless of the method of coordination, employers offering sickness and accident insurance tend to allow fewer sick leave days than those without such insurance.

Long-term disability insurance (LTD), which typically pays 60 percent of earnings, is also available to many 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 are more prevalent among white-collar workers, and sickness and accident insurance is more common among blue-collar workers.

Paid sick leave

Of the employees covered by paid sick leave plans, most are allowed a fixed number of days, such as 13 days, per year (annual sick leave plans). Other participants receive sick leave benefits, for example, 30 days, for each illness (per disability sick leave plans). Workers covered by both annual and per disability benefits generally use annual sick leave for occasional absences and per disability sick leave for longer absences (tables 25-31).

Employees having annual sick leave plans can usually expect an increase in the number of days granted as their length of service increases, such as 12 days after 1 year of service, 17 days after 5 years, and 22 days after 10 years. Nearly all workers covered by annual plans receive full pay while they are sick and are not subject to a waiting period before benefits begin.

Annual sick leave plans also allow many employees to carry over and accumulate unused sick leave from year to year (cumulative plans). Most cumulative plans have limits on the amount of sick leave, often 30 days, that can be carried over to the next year. Other cumulative plans allow workers to accumulate an unlimited amount of sick leave. Noncumulative plans commonly provide a greater number of days per year than cumulative plans. This difference increases at longer years of service.

Benefits provided from a per-disability sick leave plan frequently include some days off at full pay and some at partial pay, for example, 50 percent. Total days available for each disability and the mix of full and partial pay days often becomes more generous as service increases. The following is an example of a per-disability sick leave plan:

<i>Length of service</i>	<i>Days at full pay</i>	<i>Days at 50 percent of pay</i>
1 year	20	45
3 years	40	25
5 years	65	65
10 years	100	30
20 years	130	0

Because per-disability benefits are renewed for each new disability, provisions to carry over unused days are not included in such plans.

Workers are often not eligible for sick leave benefits when first beginning to work for an employer. Many employees have to meet length of service requirements, frequently 1 to 6 months, before qualifying for sick leave benefits.

Although sick leave is commonly thought of as replacing lost income while an employee is ill or injured, a majority of workers can use their benefits for other reasons. For example, using sick leave for a doctor's appointment or to take care of a sick child were the most frequently observed provisions.

Sickness and accident insurance

Sickness and accident insurance plans cover a large number of full-time employees in medium and large establishments, protecting them against income losses due to short-term disabilities. Most participants have their benefits fully paid by their employer. The remainder often pay a percent of earnings, up to a specified maximum contribution⁵ (tables 32-39).

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

Under earnings-based formulas, the percent of earnings is usually fixed—typically 50, 60, or 67 percent—although some plans may vary the percent by length of service or length of disability. A large majority of the participants in earnings-based plans have a dollar limit on the amount of the weekly benefit.

Blue-collar workers are the most frequent recipients of scheduled dollar benefits, which provide either a fixed weekly amount, for example, \$150 or \$200, or varying weekly benefits (usually based on earnings).

Plans that place a fixed maximum on the number of weeks of coverage, commonly 26 weeks, cover virtually all participants.

⁵ 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.

Some of the employees with sickness and accident insurance have to be on the job for a specified time before the plan will cover them. This service requirement is 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 immediately 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.⁶ The State of Hawaii requires that employers provide a minimum level of temporary disability income protection for up to 26 weeks.

Long-term disability insurance

Long-term disability insurance provides a monthly benefit to employees who, due to illness or injury, are unable to work for an extended period of time. 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 (table 40). In most instances, the LTD payments equal a fixed percent of predisability earnings.

A large number of full-time employees have LTD coverage; most of the participants have their coverage fully provided by their employers. However, of those who have to contribute towards the cost of their LTD plan, many can 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.) Another way in which contributions are paid by employees is to charge a monthly amount per \$100 of covered earnings, for example, \$0.20 per \$100 of coverage.⁷

⁶ 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.

⁷ 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).

The degree of participation varies widely among employee groups, with white-collar workers more likely to have LTD insurance than 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).

Full-time participants often have to wait 6 months after the onset of disability before beginning to receive LTD payments. For some participants, LTD benefits commence after the expiration of sick leave and sickness and accident insurance benefits (table 41).

The majority of LTD plan participants receive their LTD benefit as a fixed percent of predisability earnings. The benefit commonly yields 60 percent of monthly pay (tables 42-44). Most of these plans set a limit on monthly payments, for example, between \$4,000 and \$10,000.

A large majority of both white-collar and blue-collar participants are in plans that provided a fixed percent of earnings. However, those participants in plans with other benefit formulas are more likely to have a plan that pays a variable percentage based on the level of earnings.

Most LTD plans have a monthly maximum limit, either a dollar maximum in plans that pay a fixed percent of earnings, a disability income ceiling, or a combination of both methods. 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 (for example, 70 or 75 percent) of predisability earnings.

Participants in long-term disability plans usually have their benefits continued until retirement or a specified number of months, depending on the employee's age at the time of disability. The duration of benefits may be reduced gradually according to an age schedule or reduced once at a specified age (table 45).

Service requirements found in LTD plans are usually more restrictive than for other insurance benefits studied (table 46). Because of the long-term nature of the LTD benefits, employers often restrict eligibility to employees who demonstrate some attachment to the establishment. Most plans impose service requirements before LTD coverage begins, often 3 to 12 months.

Some plans provide survivor benefits, payable to an eligible dependent upon the death of a disabled employee (table 47). These benefits usually take the form of a lump-sum payment, 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).

A large majority of participants are in plans that include coverage for disabilities due to mental illness (table 48). However, these participants often have limits placed upon such coverage. For example, benefits are provided for a specified period, such as 24 months, and then cease unless the participant is institutionalized at the end of the limiting period.

Table 24. 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, 1993

Type of plan	All employees	Professional, technical, and related employees	Clerical and sales employees	Blue-collar and service employees
With short-term disability coverage ..	100	100	100	100
Sickness and accident insurance only	25	7	11	46
Paid sick leave only	49	69	58	31
Combined sickness and accident insurance/paid sick leave	26	24	31	24

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

Table 25. Paid sick leave: Percent of full-time employees by type of provision, medium and large private establishments, 1993

Provision	All employees	Professional, technical, and related employees	Clerical and sales employees	Blue-collar and service employees
Total with paid sick leave	100	100	100	100
Sick leave provided on:				
An annual basis only ¹	75	68	76	81
A per disability basis only ²	17	25	15	11
Both an annual and a per disability basis	6	5	8	5
As needed basis ³	1	2	1	1
Other basis ⁴	(⁵)	(⁵)	-	1

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 26. Paid sick leave: Percent of full-time employees by sick leave provision, medium and large private establishments, 1993

Sick leave policy ¹	All employees	Professional, technical, and related employees	Clerical and sales employees	Blue-collar and service employees	Sick leave policy ¹	All employees	Professional, technical, and related employees	Clerical and sales employees	Blue-collar and service employees
Provided paid annual sick leave ²	100	100	100	100	After 25 years of service: ³				
After 1 year of service:					Under 5 days	4	2	2	7
Under 5 days	6	2	3	12	5 and under 10 days	40	27	44	48
5 and under 10 days	41	30	48	45	10 and under 15 days	35	45	31	30
10 and under 15 days	37	49	32	31	15 and under 30 days	4	6	4	2
15 and under 30 days	8	10	10	5	30 and under 60 days	3	2	4	2
30 and under 60 days	2	3	1	1	60 and under 120 days	5	5	6	4
60 and under 120 days	1	2	1	1	120 and under 180 days	6	10	4	3
120 and under 180 days	1	2	1	1	180 days or more	2	2	3	1
180 days or more	(*)	1	(*)	(*)	Provided paid per disability sick leave ³	100	100	100	100
After 5 years of service:					After 1 year of service:				
Under 5 days	5	2	3	10	Under 5 days	2	1	2	5
5 and under 10 days	39	27	44	45	5 and under 10 days	9	7	10	12
10 and under 15 days	36	46	32	30	10 and under 15 days	13	10	16	13
15 and under 30 days	5	7	5	4	15 and under 30 days	23	25	26	14
30 and under 60 days	5	6	4	4	30 and under 60 days	14	17	13	12
60 and under 120 days	5	6	8	3	60 and under 120 days	6	8	6	4
120 and under 180 days	2	4	2	2	120 and under 180 days	11	13	6	14
180 days or more	(*)	1	(*)	(*)	180 days or more	3	5	1	2
After 10 years of service:					After 5 years of service:				
Under 5 days	5	2	3	10	Under 5 days	1	(*)	(*)	1
5 and under 10 days	39	27	43	45	5 and under 10 days	3	1	2	7
10 and under 15 days	36	45	32	30	10 and under 15 days	3	1	6	1
15 and under 30 days	4	7	4	2	15 and under 30 days	6	5	8	7
30 and under 60 days	4	4	5	3	30 and under 60 days	31	36	33	21
60 and under 120 days	7	7	8	5	60 and under 120 days	30	30	32	29
120 and under 180 days	3	6	2	2	120 and under 180 days	15	16	11	20
180 days or more	1	1	1	(*)	180 days or more	3	5	1	2
After 15 years of service:					After 10 years of service:				
Under 5 days	5	2	3	9	Under 5 days	1	(*)	(*)	1
5 and under 10 days	39	27	43	46	5 and under 10 days	3	1	2	7
10 and under 15 days	35	45	31	30	10 and under 15 days	2	1	5	1
15 and under 30 days	5	7	5	3	15 and under 30 days	3	2	4	3
30 and under 60 days	3	2	4	3	30 and under 60 days	13	12	11	16
60 and under 120 days	6	7	6	5	60 and under 120 days	43	44	51	32
120 and under 180 days	5	8	4	3	120 and under 180 days	26	31	18	27
180 days or more	1	1	2	(*)	180 days or more	5	6	4	3
After 20 years of service:					After 15 years of service:				
Under 5 days	5	2	3	9	Under 5 days	1	(*)	(*)	1
5 and under 10 days	39	27	43	46	5 and under 10 days	3	1	2	7
10 and under 15 days	35	45	31	30	10 and under 15 days	2	1	5	1
15 and under 30 days	5	7	4	2	15 and under 30 days	3	3	5	3
30 and under 60 days	3	2	4	2	30 and under 60 days	8	9	7	11
60 and under 120 days	6	6	6	5	60 and under 120 days	22	21	27	19
120 and under 180 days	5	8	3	3	120 and under 180 days	52	58	47	46
180 days or more	2	2	3	1	180 days or more	5	7	4	3

See footnotes at end of table.

Table 26. Paid sick leave: Percent of full-time employees by sick leave provision, medium and large private establishments, 1993—Continued

Sick leave policy ¹	All employees	Professional, technical, and related employees	Clerical and sales employees	Blue-collar and service employees	Sick leave policy ¹	All employees	Professional, technical, and related employees	Clerical and sales employees	Blue-collar and service employees
After 20 years of service:					After 25 years of service: ³				
Under 5 days	1	(*)	(*)	1	Under 5 days	1	(*)	(*)	1
5 and under 10 days	3	1	2	7	5 and under 10 days	3	1	2	7
10 and under 15 days	2	1	5	1	10 and under 15 days	2	1	5	1
15 and under 30 days	3	3	4	3	15 and under 30 days	3	3	4	3
30 and under 60 days	9	8	7	11	30 and under 60 days	9	8	7	11
60 and under 120 days	20	18	23	17	60 and under 120 days	15	14	18	12
120 and under 180 days	41	50	35	32	120 and under 180 days	45	54	40	37
180 days or more	19	17	20	19	180 days or more	19	17	20	19

¹ 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 Employees are either 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.

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³ Provisions were virtually the same after longer years of service.

⁴ Less than 0.5 percent.

⁵ 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: Because of rounding, sums of individual items may not equal totals. Where applicable, dash indicates no employees in this category.

Table 27. Paid sick leave: Average number of days at full pay for full-time employees by type of plan, medium and large private establishments, 1993

Sick leave policy	All employees	Professional, technical, and related employees	Clerical and sales employees	Blue-collar and service employees
Paid annual sick leave days ¹ by minimum length-of-service requirement:				
After 1 year	12.0	15.3	10.7	10.2
After 3 years	14.4	18.5	13.4	11.5
After 5 years	16.9	21.1	16.8	13.2
After 10 years	19.7	24.5	20.4	14.7
After 15 years	21.8	26.9	23.1	15.9
After 20 years	23.2	28.1	24.8	17.3
After 25 years ²	24.5	29.8	26.0	18.1
Paid per disability sick leave days ³ by minimum length-of-service requirement:				
After 1 year	46.3	55.8	32.5	45.0
After 3 years	51.0	58.7	39.8	50.8
After 5 years	69.4	76.8	59.4	68.1
After 10 years	90.6	100.7	82.8	80.4
After 15 years	106.6	115.7	100.4	96.6
After 20 years	118.0	124.5	113.9	110.3
After 25 years ²	128.6	133.0	125.9	123.3

¹ Employees are either 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. This number may vary by length of service.

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

Table 28. Paid annual sick leave:¹ Percent of full-time employees by unused sick leave policy and carryover provisions, medium and large private establishments, 1993

Unused sick leave policy and carryover provisions	All employees	Professional, technical, and related employees	Clerical and sales employees	Blue-collar and service employees
Unused sick leave policy				
Total with paid annual sick leave	100	100	100	100
Carryover only	49	55	49	42
Cash-in only	8	2	5	17
Carryover and cash-in	11	11	9	12
Unused benefit lost	32	32	35	28
Data not available	(¹)	(¹)	(¹)	1
Carryover provisions				
Total with paid annual sick leave	100	100	100	100
Unlimited accumulation	18	21	18	15
Limit on total number of days accumulated	81	78	81	84
Under 10 days	3	2	3	5
10 days	6	4	5	9
11 - 19 days	3	2	4	4
20 days	3	1	3	4
21 - 24 days	5	3	9	3
25 days	2	2	3	2
26 - 29 days	(¹)	(¹)	(¹)	(¹)
30 - 39 days	10	8	11	11
40 - 49 days	3	3	3	5
50 days	1	1	1	1
51 - 64 days	9	10	7	11
65 days	3	4	2	3
66 - 79 days	5	6	5	3
80 - 89 days	1	2	1	1
90 - 99 days	5	5	6	4
100 - 109 days	2	2	2	2
110 - 119 days	1	1	(¹)	1
120 - 129 days	3	4	3	2
130 days	6	7	7	4
Over 130 days	8	9	7	8
Days not available	1	1	1	2
Other ³	(¹)	(¹)	(¹)	(¹)
Data not available	1	1	1	(¹)

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

² Less than 0.5 percent.

³ Includes carryover provisions 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 29. Paid annual sick leave:¹ Average number of days at full pay for full-time employees by accumulation policy, medium and large private establishments, 1993

Sick leave policy	All employees	Professional, technical, and related employees	Clerical and sales employees	Blue-collar and service employees
Paid annual sick leave days by minimum length-of-service requirement:²				
After 1 year of service				
Cumulative plan	9.1	10.1	8.7	8.2
Noncumulative plan	16.6	25.5	13.9	12.7
After 3 years of service				
Cumulative plan	9.4	10.6	9.0	8.4
Noncumulative plan	22.0	33.4	20.1	15.6
After 5 years of service				
Cumulative plan	9.8	11.2	9.4	8.7
Noncumulative plan	27.7	40.1	27.8	18.9
After 10 years of service				
Cumulative plan	10.7	12.5	10.5	9.0
Noncumulative plan	33.4	47.7	35.1	21.8
After 15 years of service				
Cumulative plan	11.3	13.3	11.2	9.2
Noncumulative plan	37.6	52.9	40.7	24.3
After 20 years of service				
Cumulative plan	11.5	13.5	11.5	9.4
Noncumulative plan	41.0	56.2	44.7	27.2
After 25 years of service³				
Cumulative plan	11.6	13.5	11.5	9.5
Noncumulative plan	44.0	61.1	47.6	28.8
Data not available	(¹)	(¹)	(¹)	(¹)

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

² Employees are either 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.

⁴ Less than 0.5 percent.

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

Table 30. Paid sick leave: Percent of full-time employees by length-of-service requirement for participation, medium and large private establishments, 1993

Length-of-service requirement	All employees	Professional, technical, and related employees	Clerical and sales employees	Blue-collar and service employees
Annual plans				
Total with paid annual sick leave	100	100	100	100
With service requirement	64	53	69	69
1 month	12	12	13	10
2 months	4	2	4	6
3 months	21	20	22	21
4-5 months	1	(¹)	1	1
6 months	18	13	21	19
7-11 months	(¹)	(¹)	1	(¹)
1 year	8	5	6	11
Over 1 year	(¹)	(¹)	(¹)	1
Without service requirement	35	46	30	29
Data not available	2	1	1	2
Per disability plans				
Total with paid per disability sick leave	100	100	100	100
With service requirement	59	54	62	65
1 month	7	6	6	9
2 months	(¹)	-	(¹)	-
3 months	9	8	11	10
4-5 months	2	1	3	1
6 months	27	31	27	21
7-11 months	(¹)	(¹)	(¹)	(¹)
1 year	13	8	14	24
Over 1 year	(¹)	(¹)	(¹)	1
Without service requirement	41	46	38	35
Data not available	(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 31. Paid annual sick leave: Percent of full-time employees in plans allowing use of sick leave for other purposes, medium and large private establishments, 1993

Other purposes	All employees	Professional, technical, and related employees	Clerical and sales employees	Blue-collar and service employees
Total with paid annual sick leave	100	100	100	100
Other purposes allowed ¹	71	70	73	71
Funeral	11	11	9	14
Doctors' appointments	60	61	60	59
Personal business	13	12	12	16
Care of sick child	37	37	36	37
Other	1	1	1	1
Other purposes not allowed	28	28	27	28
Data not available	1	1	1	1

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

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

Table 32. Sickness and accident insurance: Method of payment, full-time employees, medium and large private establishments, 1993

Method of payment	All employees	Professional, technical, and related employees	Clerical and sales employees	Blue-collar and service employees
Number (in thousands) with sickness and accident insurance	12,699	2,148	2,742	7,809
	Percent			
Total with sickness and accident insurance	100	100	100	100
Flat dollar amount	29	7	13	41
Fixed percent of earnings	60	86	78	46
Percent varies ¹	6	4	6	6
Dollar amount varies ¹	5	2	2	6
Other	1	1	(²)	1
Not determinable	(²)	-	-	(²)

¹ Benefits may vary by earnings, length of service, or length of disability.
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 33. Sickness and accident insurance: Flat dollar amounts, full-time employees, medium and large private establishments, 1993

Flat dollar amount per week	All employees	Professional, technical, and related employees	Clerical and sales employees	Blue-collar and service employees
Number (in thousands) with flat dollar amount of sickness and accident insurance	3,681	143	368	3,171
	Percent			
Total with flat dollar amount of sickness and accident insurance	100	100	100	100
Less than \$100	20	27	23	19
\$100 - \$199	56	55	60	55
\$200 - \$299	19	17	8	21
\$300 or more	5	1	9	5
	Average ¹			
Average flat dollar amount of sickness and accident insurance per week	\$156	\$138	\$147	\$158

¹ The average is presented for all covered workers; averages exclude workers without the plan provision.

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

Table 34. Sickness and accident insurance: Fixed percent of earnings amounts, full-time employees, medium and large private establishments, 1993

Fixed percent of earnings	All employees	Professional, technical, and related employees	Clerical and sales employees	Blue-collar and service employees
Number (in thousands) with fixed percent of earnings benefit	7,558	1,843	2,143	3,572
	Percent			
Total with fixed percent of earnings benefit	100	100	100	100
Less than 50 percent	1	3	1	(¹)
50 percent	41	41	41	42
51 - 59 percent	2	1	1	4
60 percent	24	25	24	23
61 - 69 percent	22	18	23	23
70 percent	5	4	6	4
71 - 79 percent	3	6	4	1
80 percent or more	2	3	1	2
	Average ²			
Average fixed percent of earnings benefit	58	58	59	58

¹ Less than 0.5 percent.

² The average is presented for all covered workers; averages exclude workers without the plan provision.

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

Table 35. Sickness and accident insurance: Maximum benefits based on percent of earnings formulas, full-time employees, medium and large private establishments, 1993

Maximum benefit per week	All employees	Professional, technical, and related employees	Clerical and sales employees	Blue-collar and service employees
Number (in thousands) with percent of earnings benefit	8,290	1,931	2,302	4,058
	Percent			
Number with percent of earnings benefit	100	100	100	100
With maximum	71	69	66	74
Less than \$200	37	36	33	39
\$200 - \$299	7	4	7	9
\$300 - \$399	18	16	17	19
\$400 or more	9	12	10	7
No maximum	29	31	33	25
Not determinable	1	(¹)	(¹)	1
	Average ²			
Average maximum benefit per week	\$300	\$343	\$341	\$261

¹ Less than 0.5 percent.

² The average is presented for all covered workers; averages exclude workers without the plan provision.

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

Table 36. Sickness and accident insurance: Minimum benefits placed on percent of earnings formulas, full-time employees, medium and large private establishments, 1993

Minimum benefit per week	All employees	Professional, technical, and related employees	Clerical and sales employees	Blue-collar and service employees
Number (in thousands) with percent of earnings benefit	8,290	1,931	2,302	4,058
	Percent			
Total with percent of earnings benefit	100	100	100	100
With minimum	33	37	33	30
Less than \$50	28	35	30	23
\$50 - \$99	3	1	1	5
\$100 - \$149	1	1	1	1
\$150 or more	1	-	1	1
No minimum	67	63	67	69
Not determinable	(¹)	(¹)	(¹)	(¹)
	Average ²			
Average minimum benefit per week	\$29	\$22	\$27	\$34

¹ Less than 0.5 percent.

² The average is presented for all covered workers; averages exclude workers without the plan provision.

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

Table 37. Sickness and accident insurance: Type of waiting period, full-time employees, medium and large private establishments, 1993

Waiting period provision	All employees	Professional, technical, and related employees	Clerical and sales employees	Blue-collar and service employees
Number (in thousands) with sickness and accident insurance	12,699	2,148	2,742	7,809
	Percent			
Total with sickness and accident insurance	100	100	100	100
Waiting period not dependent on sick leave	88	83	85	90
Waiting period begins after sick leave	3	6	4	2
Later of waiting period or sick leave ¹	6	6	7	5
Earlier of waiting period or sick leave ²	1	1	(³)	(³)
Not determinable	3	4	4	3

¹ Benefits begin when sick leave is exhausted or the waiting period is completed, whichever is later.

² Benefits begin when sick leave is exhausted or the waiting period is completed, whichever is earlier.

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. Sickness and accident insurance: Duration of benefits, full-time employees, medium and large private establishments, 1993

Duration of benefits	All employees	Professional, technical, and related employees	Clerical and sales employees	Blue-collar and service employees
Number (in thousands) with sickness and accident insurance	12,699	2,148	2,742	7,809
	Percent			
Total with sickness and accident insurance	100	100	100	100
Fixed duration	96	97	94	96
Less than 13 weeks	2	3	3	1
13 weeks	11	7	7	13
14 - 25 weeks	5	6	7	4
26 weeks	66	69	70	63
27 - 51 weeks	1	2	1	1
52 weeks	9	7	4	12
Greater than 52 weeks	2	3	2	1
Duration varies	4	2	5	4
Not determinable	(¹)	(¹)	1	(¹)
	Average ²			
Average benefit duration (in weeks)	29	32	28	28

¹ Less than 0.5 percent.

² The average is presented for all covered workers; averages exclude workers without the plan provision.

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

Table 39. Sickness and accident insurance: Eligibility requirements, full-time employees, medium and large private establishments, 1993

Eligibility requirement	All employees	Professional, technical, and related employees	Clerical and sales employees	Blue-collar and service employees
Number (in thousands) with sickness and accident insurance	12,699	2,148	2,742	7,809
	Percent			
Total with sickness and accident insurance	100	100	100	100
With service requirement	67	63	64	69
1 month	25	38	32	20
2 months	4	1	3	6
3 months	16	7	12	19
4 - 5 months	4	(¹)	1	6
6 months	9	7	4	11
7 - 11 months	(¹)	-	-	(¹)
12 months	6	9	7	4
Greater than 12 months	3	1	4	3
No service requirement	27	33	31	23
Closed to new employees	(¹)	(¹)	1	(¹)
Not determinable	6	4	5	7
	Average ²			
Average service requirement (in months)	4.5	4.1	4.7	4.5

¹ Less than 0.5 percent.

² The average is presented for all covered workers; averages exclude workers without the plan provision.

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

Table 40. Long-term disability insurance: Summary of provisions, full-time employees, medium and large private establishments, 1993

Provision	All employees	Professional, technical, and related employees	Clerical and sales employees	Blue-collar and service employees
Number (in thousands) with long-term disability insurance	11,827	4,959	3,671	3,197
	Percent			
Total with long-term disability insurance	100	100	100	100
Benefits based on fixed percent of earnings	89	95	94	76
Benefits subject to disability income limit	28	32	28	23
Duration of benefits varies by age	75	75	75	74
With coverage for mental illness	86	87	84	86
With survivor benefits	26	25	26	25
With required employee contribution	27	31	28	20

Table 41. Long-term disability insurance: Benefit waiting period,¹ full-time employees, medium and large private establishments, 1993

Length of waiting period	All employees	Professional, technical, and related employees	Clerical and sales employees	Blue-collar and service employees
Number (in thousands) with long-term disability insurance	11,827	4,959	3,671	3,197
	Percent			
Total with long-term disability insurance	100	100	100	100
Fixed duration	87	94	89	75
Less than 3 months	4	4	5	3
3 months	17	19	17	12
4 - 5 months	4	4	5	2
6 months	56	60	57	50
Greater than 6 months	7	8	6	9
Expiration of short-term disability benefits	11	5	9	22
Other	(²)	(²)	(²)	1
Not determinable	1	1	1	2
	Average ³			
Average fixed duration (in months)	5.7	5.7	5.6	6.0

¹ Length of time between onset of disability and beginning of long-term disability insurance payments.

² Less than 0.5 percent.

³ The average is presented for all covered workers; averages exclude workers without the plan provision.

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

Table 42. Long-term disability insurance: Method of payment, full-time employees, medium and large private establishments, 1993

Method of payment	All employees	Professional, technical, and related employees	Clerical and sales employees	Blue-collar and service employees
Number (in thousands) with long-term disability insurance	11,827	4,959	3,671	3,197
	Percent			
Total with long-term disability insurance	100	100	100	100
Fixed percent of earnings	89	95	94	76
Less than 50 percent	1	1	1	1
50 percent	20	17	23	20
51 - 59 percent	(¹)	(¹)	(¹)	-
60 percent	50	55	48	43
61 - 69 percent	15	18	17	9
70 percent	3	2	3	2
Greater than 70 percent ...	(¹)	(¹)	(¹)	(¹)
Percent varies by earnings ...	6	4	5	12
Percent varies by service	1	(¹)	1	1
Percent varies by length of disability	(¹)	(¹)	(¹)	-
Flat dollar amount	1	1	1	2
Dollar amount varies	3	-	(¹)	9
Other	(¹)	(¹)	-	(¹)
	Average ²			
Average fixed percent of earnings	58.9	59.5	58.8	58.0

¹ Less than 0.5 percent.

² The average is presented for all covered workers; averages exclude workers without the plan provision.

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

Table 43. Long-term disability insurance: Maximum benefits¹ based on percent of earnings formulas, full-time employees, medium and large private establishments, 1993

Maximum benefit	All employees	Professional, technical, and related employees	Clerical and sales employees	Blue-collar and service employees
Number (in thousands) with percent of earnings benefit	11,387	4,909	3,634	2,844
	Percent			
Total with percent of earnings benefit	100	100	100	100
With maximum	69	75	66	61
Flat maximum per month ..	69	75	66	61
\$2,000 or less	7	6	5	11
\$2,001 - \$3,000	9	9	8	9
\$3,001 - \$4,000	4	5	4	3
\$4,001 - \$5,000	14	15	13	13
\$5,001 - \$7,500	11	12	10	9
\$7,501 - \$10,000	15	16	16	12
\$10,001 or more	9	11	11	4
No maximum	31	24	33	39
Not determinable	(²)	(²)	1	(²)
	Average ³			
Average flat maximum benefit (per month)	\$6,861	\$6,907	\$7,468	\$5,922

¹ Excludes limits on all disability income, which restrict long-term disability insurance payments if income from all sources exceeds a specified amount.

² Less than 0.5 percent.

³ The average is presented for all covered workers; averages exclude workers without the plan provision.

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

Table 44. Long-term disability insurance: Limits on all disability income,¹ full-time employees, medium and large private establishments, 1993

Disability income limit	All employees	Professional, technical, and related employees	Clerical and sales employees	Blue-collar and service employees
Number (in thousands) with long-term disability insurance	11,827	4,959	3,671	3,197
	Percent			
Total with long-term disability insurance	100	100	100	100
With disability income limit ...	28	32	28	23
Fixed percent of earnings	28	32	27	23
Less than 70 percent	2	2	1	2
70 percent	8	10	7	7
75 percent	7	8	8	6
80 percent	2	2	4	2
Greater than 80 percent	8	10	7	7
Flat dollar amount	(²)	(²)	1	(²)
Other	(²)	(²)	(²)	(²)
No disability income limit	60	58	59	65
Not determinable	11	10	13	12
	Average ³			
Average fixed percent of earnings disability income limit	80.0	80.2	79.8	79.7

¹ Limit on income during disability from all sources, including long-term disability insurance, Social Security, and pension benefits.

² Less than 0.5 percent.

³ The average is presented for all covered workers; averages exclude workers without the plan provision.

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

Table 45. Long-term disability insurance: Duration of payments, full-time employees, medium and large private establishments, 1993

Duration	All employees	Professional, technical, and related employees	Clerical and sales employees	Blue-collar and service employees
Number (in thousands) with long-term disability insurance	11,827	4,959	3,671	3,197
	Percent			
Total with long-term disability insurance	100	100	100	100
For life	3	4	2	3
Until a specified age	10	11	10	9
Until retirement	3	2	2	3
Varies by age; ¹ one change	9	9	8	10
Varies by age; ¹ gradual change	65	66	67	63
Varies by other than age	2	1	1	3
Other	1	(²)	(²)	2
Not determinable	7	7	9	6

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

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 46. Long-term disability insurance: Eligibility requirements, full-time employees, medium and large private establishments, 1993

Length of waiting period	All employees	Professional, technical, and related employees	Clerical and sales employees	Blue-collar and service employees
Number (in thousands) with long-term disability insurance	11,827	4,959	3,671	3,197
	Percent			
Total with long-term disability insurance	100	100	100	100
With service requirement	53	49	56	54
1 month	10	10	12	7
2 months	2	2	2	3
3 months	12	12	14	12
4 - 5 months	1	(¹)	(¹)	2
6 months	12	10	12	16
7 - 11 months	(¹)	(¹)	(¹)	(¹)
12 months	12	12	11	11
Greater than 12 months	4	3	5	3
No service requirement	42	47	38	39
Closed to new employees	(¹)	(¹)	(¹)	(¹)
Not determinable	5	4	5	7
	Average ²			
Average service requirement (in months)	8.3	8.0	9.0	8.0

¹ Less than 0.5 percent.

² The average is presented for all covered workers; averages exclude workers without the plan provision.

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

Table 47. Long-term disability insurance: Survivor benefits, full-time employees, medium and large private establishments, 1993

Survivor provision	All employees	Professional, technical, and related employees	Clerical and sales employees	Blue-collar and service employees
Number (in thousands) with long-term disability insurance	11,827	4,959	3,671	3,197
	Percent			
Total with long-term disability insurance	100	100	100	100
With survivor benefits	26	25	26	25
Lump sum payment	20	23	21	14
Percent of monthly benefit ¹	3	2	4	2
Other	3	(²)	1	9
No survivor benefits	61	63	59	60
Not determinable	13	12	15	14

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

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 48. Long-term disability insurance: Coverage for mental illness, full-time employees, medium and large private establishments, 1993

Mental illness provision	All employees	Professional, technical, and related employees	Clerical and sales employees	Blue-collar and service employees
Number (in thousands) with long-term disability insurance	11,827	4,959	3,671	3,197
	Percent			
Total with long-term disability insurance	100	100	100	100
With coverage for mental illness	86	87	84	86
No limit	53	51	48	61
Coverage only if institutionalized	1	2	1	(¹)
Duration of coverage limited unless institutionalized	27	30	29	21
Less than 24 months	1	1	(¹)	1
24 months	26	29	28	20
Greater than 24 months	(¹)	(¹)	1	-
Duration of coverage limited	4	5	5	2
Less than 24 months	(¹)	(¹)	1	(¹)
24 months	4	5	5	2
Other	(¹)	(¹)	(¹)	(¹)
No coverage for mental illness	1	1	(¹)	(¹)
Not determinable	14	12	16	14

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.

Chapter 4. Medical, Dental, and Vision Care

Medical Care

Medical care benefits are provided to a large majority of full-time employees in medium and large private establishments. The Employee Benefits Survey covers a number of medical care benefit provisions (table 49), including:

- Required employee contributions,
- Types of plans,
- Coverage for hospitalization and surgery,
- Plan cost containment features,
- Prescription drug benefits,
- Mental health and substance abuse treatment benefits,
- Coverage for retired workers.

These topics are discussed throughout this chapter.

Employee contributions

The majority of full-time participants have to pay part of the cost for their medical benefits—whether for individual or family coverage (tables 50-52). As tracked by the Employee Benefits Survey, the percentage of participants required to contribute toward their coverage, and the required contribution, have steadily increased over the past several years. Blue-collar workers are more likely to have both individual and family coverage fully financed by the employer than are white-collar workers.

Employees required to contribute toward the cost of their medical care coverage may be given the opportunity to do so with pretax dollars (table 53). These employees have 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. (For definition, see chapter 8.)

Type of medical care plans

Full-time workers with medical benefits are covered by one of three types of plans—a traditional fee-for-service plan, a Preferred Provider Organization (PPO), or a Health Maintenance Organization (HMO) (tables 54-61). These plans represent differences in fee

arrangements, that is, the method of selecting medical service providers and paying for care.

Fee-for-service plans—the most prevalent fee arrangement—allow patients to choose any provider and 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—bears the financial risk of paying for covered medical services) cover the largest number of fee-for-service participants. Commercially insured plans and Blue Cross/Blue Shield plans cover most of the other fee-for-service participants. In addition, a small proportion of fee-for-service participants have their benefits financed by more than one source.

Establishments that self-insure their medical care benefits may enter into an "administrative services only" (ASO) contract with a third party to pay claims and handle other administrative details (table 62). In such a case, the employer is still responsible for financing all medical care claims. Another arrangement available to self-insured plans is a minimum premium plan (MPP), which is insurance coverage to pay claims above a specified amount. Such arrangements limit the employer's liability in the case of catastrophic expenses.

PPO's, which have become widespread since first studied in the Employee Benefits Survey of medium and large private establishments in 1986, offer a higher level of reimbursement 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.

Financing arrangements for PPO's are similar to those used for fee-for-service plans. Most PPO's are financed through a commercial insurer, a Blue Cross/Blue Shield organization, or are self-insured.

PPO's can be considered a type of fee-for-service plan because care providers are not reimbursed until services are performed. In this way, fee-for-service plans and PPO's can be contrasted with HMO's (described below), which prepay providers a fixed

amount for services performed over a given time period. Throughout this chapter, features found in HMO's are contrasted with those found in non-HMO's (both fee-for-service plans and PPO's).

HMO's, another arrangement that increased enrollment during the 1980's, provide a prescribed set of benefits to enrollees for a fixed payment. The HMO thus bears the risk associated with delivering care.⁸ 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.

HMO's may be financed through independent organizations, commercial insurers, or Blue Cross/Blue Shield organizations. Independent organizations, such as Kaiser Permanente, are most prevalent.

An alternative method of categorizing medical care plans is to determine whether or not participants have a "point-of-service" option (table 63). 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. "Point-of-service" plans include 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 than if care is received from the designated HMO provider.

Fee-for-service plans

Fee-for-service plans allow patients to choose their own providers and reimburse the patient or the provider after services are received. Benefits are typically subject to limitations that apply to many or all services, including deductibles, coinsurances, catastrophic expense limits, and plan maximums (tables 64-70).

Fee-for-service plans 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. Deductibles are typically specified as an annual flat-dollar amount, such as \$100 or \$200 per individual. In some plans, however, the deductible may not apply to hospital room and board expenses.

When medical care plans cover an employee and family, a family deductible is often specified in addition to individual deductibles. There are two types of family deductibles. In the first type, the deductible is a flat-dollar amount for the year. To satisfy this deductible, one family member must meet an individual deductible, then another family member or a combination of family members must meet the

remaining amount of the family deductible. In the second type, the plan specifies the number of family members required to meet individual deductibles. After the required number of family members meet individual deductibles, no additional individual deductibles are required during that year. Most commonly, family deductibles are equal to two or three times the individual deductible.

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 often pay 80 percent of expenses; other plans may pay 90 percent. Alternatively, plans may have a different coinsurance rate for certain services, such as hospital room and board and outpatient surgery. For these services, the plan usually pays a higher percent of expenses, often 100 percent.

Most full-time participants in fee-for-service plans have their coinsurance increased to 100 percent after they pay out a specified dollar amount for covered expenses (out-of-pocket expense limit), for example, an annual out-of-pocket expense limit of \$1,500 per individual. Frequently, out-of-pocket expense limits are also specified for family expenses. As used in this bulletin, the term "out-of-pocket expense limit" refers to the coinsurance amount paid by a plan participant. A deductible, if required, is an additional expense the participant must pay.

A plan's out-of-pocket expense limit protects the participant from catastrophic medical expenses. For example, assume a plan has a \$250 annual deductible and then pays 80 percent of medical expenses up to an out-of-pocket expense limit of \$2,000. Once the out-of-pocket expense limit is reached, the plan's share of expenses rises to 100 percent. In this case, the employee would pay the first \$250 of expenses and \$2,000 (20 percent) of the next \$10,000 of expenses. Covered expenses above that amount would be paid in full by the plan.

Plans that both require an annual deductible and place a limit on out-of-pocket expenses cover most participants. 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.

Fee-for-service plans often place a ceiling on the amount payable by the plan, usually a lifetime maximum. A maximum of \$1 million is common.

Preferred provider organizations

In a preferred provider organization, participants are provided medical services at a higher level of reimbursement if they receive care from designated hospitals, physicians, laboratories, or dentists. Individuals may choose their own provider, although typically at a lower level of reimbursement.

⁸ 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.

In PPO's, like fee-for-service plans, benefits are typically subject to limitations including deductibles, coinsurances, out-of-pocket expense limits, and plan maximums that apply to many or all services (table 71). These limitations can differ depending upon whether or not care is provided by a designated provider. For example, assume that an individual's total covered medical expenses are \$3,600 in one year. When care is provided within the PPO network, the plan pays 90 percent of expenses, or \$3,240. When care is provided outside the PPO network, the plan imposes a \$100 a year deductible and reimburses 80 percent of the remaining expenses. Thus, outside the PPO network the plan pays only \$2,800 of the expenses.

PPO's may also vary the way payments are made, based on the provider used. For example, services received from non-network providers may be subject to a plan deductible and coinsurance. Network services, alternatively, may be subject only to a small copayment, such as \$10 per office visit or \$5 per prescription. The remaining cost of such services is borne by the plan.

Health maintenance organizations (HMO's)

Health maintenance organizations provide a fixed set of medical benefits for a prepaid fee. Most medical services are either covered in full or require patients to pay a minimal copayment. Typical copayments are \$5 or \$10 per physician's office visit or \$3 or \$5 per out-of-hospital prescription drug.

HMO's are unique in that they encourage preventive care, including physical examinations, vision screening, hearing care, well baby care, and immunization and inoculation. Many HMO's are federally qualified, which provides advantages when soliciting new participants (table 63). HMO's must provide a minimum group of benefits, such as home health care, well baby care, and hearing care, to become federally qualified.

HMO's are more likely to require participants to pay at least part of the premium for coverage than are non-HMO's (tables 50-52). In addition, average monthly premiums for individual and family coverage are higher for participants in HMO's than for those in non-HMO's.

Cost containment

In addition to data on the extent of coverage for specific medical services, the survey measures 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 are provided in the most appropriate health care setting. These programs are partly in response to the rapid rise in medical care costs during the 1980's.

Most medical care participants have some "managed care" provision available to them (table 72). This includes all participants in HMO and PPO plans, in which the plans manage care by directing patients to specific providers or services. In addition, many fee-for-service participants are in plans with at least one managed care feature. These could include preadmission certification for hospitalization, preadmission testing, and second surgical opinion (tables 73-74).

Some advanced managed care programs may consist of four or more features. These often include 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, some plans have their care subject to utilization review. This is the process of reviewing the appropriateness and quality of care provided to patients. A higher level of reimbursement for prehospitalization testing, a means of decreasing the length of hospitalization, is also prevalent.

Some managed care programs may consist of only one or two cost containment provisions, such as mandatory second surgical opinions and preadmission certification before being admitted to a hospital (except in cases of emergency). Less prevalent cost containment features in fee-for-service plans include incentives for the employee to audit hospital bills and incentives for child deliveries in lower cost birthing centers, rather than in hospitals.

Increasingly, medical care plans require a separate deductible for hospital admission to discourage unnecessary hospitalization. These deductibles are often between \$100 and \$300 per hospital admission.

In fee-for-service plans, second surgical opinion provisions generally apply to inpatient surgical benefits (table 75). Plan enrollees usually receive lower levels of reimbursement if they do not obtain second opinions.

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.

Hospital coverage

Medical plan enrollees covered by the survey routinely have coverage for hospital room and board charges (tables 76-78). (Coverage also extends to "miscellaneous" charges while hospitalized, such as routine nursing care, prescription drugs, and surgical dressings.) Many plans cover hospital room and board

expenses at a percentage of the semiprivate room rate, frequently 80 percent. In these types of plans, the individual is typically subject to a yearly deductible before the percentage rate can go into effect. Other plans either have hospital room and board expenses covered at the full semiprivate room rate for a specified period (usually 365 days), followed by a percentage of the semiprivate room rate, or reimburse expenses at the full semiprivate room rate for an unlimited number of days without being subject to either a deductible or dollar maximum.

Significant differences in hospital room and board coverage are evident by type of medical care provider. Although HMO participants usually have hospital room and board covered in full without any limitations, full coverage is virtually nonexistent for hospitalization in non-HMO's. When there is a limit on room and board in HMO's, it is usually a copayment per admission, often between \$100 and \$300.

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 pay a higher percentage of total health care expenses than HMO participants.⁹

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. Coverage patterns typically differ between HMO and non-HMO participants (tables 79-82).

Extended care facilities provide skilled nursing care, rehabilitation, and convalescent services to patients requiring less intensive treatment than that provided in a hospital. HMO's usually provide coverage for stays in extended care facilities, with some plans providing unlimited coverage. Non-HMO's also provide coverage for extended care benefits, but very few plans provide full coverage.

Home health care provides skilled nursing and related care to patients in their own homes. Home health care benefits are provided to virtually all HMO participants; these benefits are furnished less extensively to non-HMO participants (table 54). 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

⁹ For more information regarding 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.

benefits are provided in HMO's, coverage is typically unlimited. Unlimited coverage is quite rare in non-HMO's.

Plans, especially non-HMO's, often limit the duration of stays in extended care facilities 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.

Another expanding alternative to hospitalization is hospice care (table 54). A hospice offers nursing care and psychological support to terminally ill patients—usually defined as having 6 months or less to live—and to their families. Plans often place ceilings on maximum dollar amounts payable during a hospice stay. Medical care plans cover hospice care less often than other alternatives to hospitalization.¹⁰

Surgical coverage

Medical plans base payments for in-hospital surgery on the "usual, customary, and reasonable" (UCR) charges for the specific procedure performed.¹¹ As is true with hospitalization, in-hospital surgical benefits are most likely to be covered at a specified percentage rate, usually after any required overall plan deductible (table 83). Many participants are covered at 80 percent of the UCR charges. Others are covered for the full UCR charges or according to a schedule establishing a maximum amount payable for each procedure. Charges exceeding the scheduled maximums, however, are generally covered, subject to the plan's overall deductible and coinsurance.

Medical plans usually cover 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 are 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's may provide higher reimbursement rates over those provided for inpatient surgery.¹²

¹⁰ 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.

¹¹ 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.

¹² 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.

Plans with surgical benefits often require enrollees to satisfy a deductible for in-hospital procedures. When outpatient surgery is needed, however, a deductible requirement is less common. Generally, when deductibles do not apply for in-hospital surgery, they do not apply for outpatient procedures either.

Outpatient physicians visits and diagnostic services

Nearly all health care participants have coverage for physicians' visits and diagnostic x-ray and laboratory tests (DXL) (tables 54, 55, and 58). Expenses for physicians' office visits and DXL are generally covered as a percentage of usual, customary and reasonable charges and are subject to an annual deductible and a lifetime maximum benefit.

Notable differences in physicians' office visits are evident by type of medical care provider. Although most HMO's require copayments for office visits, copayments are virtually nonexistent in fee-for-service plans. In addition, PPO's often require copayments for office visits. Copayments for office visits in HMO and PPO plans are usually minimal, such as \$5 and \$10 per visit.

Prescription drug benefits

Virtually all participants have medical plans that cover outpatient prescription drugs (tables 84-88). Inpatient prescription drugs are always covered under hospital miscellaneous services, generally in the same fashion as room and board charges. Outpatient prescription drugs are covered under separate provisions of the medical plan.

Coverage for outpatient prescription drugs differs by type of medical plan. Usually, in non-HMO plans, outpatient prescription drugs are covered under general plan limitations; that is, before any benefits are provided, the participant has to meet a yearly deductible. Services are then covered at the applicable coinsurance rate. However, in HMO's, prescriptions are 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 drugs covered in full. However, HMO participants are also more likely not to have prescription drug coverage at all.

Perhaps due to the rapidly rising cost of prescription drugs, medical care plans are turning to a variety of alternatives to lower both plan and patient costs. These alternatives include:

- Encouraging patients to have pharmacies substitute less expensive generic drugs for brand-name drugs;

- Setting up mail order programs for drugs needed on a routine basis;
- Establishing relationships between plans and selected pharmacies to provide drugs at a lower cost.

Pharmacies can often fill a prescription using either a brand name drug or a generic drug. Fee-for-service participants may receive higher reimbursement for obtaining generic rather than brand name prescription drugs, when generic drugs are available. Generic drugs cost less than brand name drugs.

Mail order drug programs are also often available to fee-for-service participants. These programs supply 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.

Some fee-for-service participants may receive higher reimbursements if prescriptions are filled at certain pharmacies with discount policies. The plan providers negotiate the price of prescriptions with the pharmacies, usually at cost plus minimal dispensing fees. Group HMO plans normally have an in-house pharmacy, where minimal copayments are required for prescriptions. IPA HMO plans, on the other hand, might be affiliated with "discount" pharmacies, that also provide prescriptions with minimal copayments.¹³

Mental health coverage and substance abuse treatment

Mental health coverage, though available to nearly all participants, is frequently subject to more restrictive limitations than other illnesses (tables 89-92). Medical care participants with mental health benefits frequently have more restrictive hospital coverage for mental illness than for other ailments. Plans commonly limit the duration of hospital stays (often to 30 or 60 days per year for mental health care, compared to 120, 365, or unlimited days for other illnesses) and frequently impose 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 is coverage for mental health care outside the hospital (psychiatric office visits). Nearly all participants with mental health care coverage are subject to limits for outpatient care. Outpatient mental health care is commonly covered for fewer visits per year than other outpatient services, and it is subject to maximum dollar limits on annual payments.

¹³ 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.

Plans also frequently cover 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 can not be used to meet the employee's maximum out-of-pocket expense limit. Reimbursement for these expenses thus does not increase to 100 percent even when the out-of-pocket expense limit is met.¹⁴

Alcohol and drug abuse treatment benefits cover nearly all full-time medical participants (tables 93-99). Nearly all participants with alcohol abuse treatment benefits have the same coverage for drug abuse treatment. Benefits provided under substance abuse care include 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 completes detoxification.

Virtually all participants covered by alcohol abuse treatment benefits are eligible for inpatient (in-hospital) detoxification, and, in most cases, receive 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, is available to most participants with alcoholism coverage. Coverage patterns are similar for drug abuse treatment benefits.

As is the case with mental health care, plans are more restrictive in covering substance abuse treatment than other illnesses.¹⁵ Participants are more likely to have inpatient detoxification treated the same as any other inpatient confinement than to have inpatient rehabilitation or outpatient care covered the same as any other illness. Limitations for substance abuse treatment most commonly include:

- Restrictions on the number of days of inpatient hospital care per year;
- Restrictions on the number of outpatient visits per year;

¹⁴ A detailed examination of mental health care provisions in employer-provided health care plans is provided by Allan P. Blotin in "Mental Health Benefits Financed By Employers," *Monthly Labor Review*, July 1987, pp. 23-27.

¹⁵ 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

- Reduced coinsurance levels for outpatient treatment;
- Employee's share of the cost of outpatient care not included in out-of-pocket expense limit;
- Maximum dollar amounts per year or per lifetime.

A typical limit on inpatient care is 30 days per year. Similarly, outpatient care might be restricted to 20 or 30 visits per year at a coinsurance rate of 50 percent. In non-HMO plans, payments are often limited to a dollar maximum for both inpatient and outpatient care, with \$50,000 per lifetime a common limit. Limitations on days and dollars are often combined for alcohol and drug abuse care.¹⁶ For example, plans often limit coverage to 30 days per year and to \$50,000 per lifetime for both alcohol and drug abuse treatment.

HMO's frequently impose limits on the number of days of both inpatient and outpatient substance abuse treatment. In addition, an HMO may require a small copayment for outpatient visits, such as \$20 per visit.

Other medical benefits

The survey also measures the incidence of several other services provided through medical care plans. For example, some plans cover at least part of the costs for routine physical examinations and for well-baby care (table 54). HMO's nearly always include 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.¹⁷

Participation requirements

Medical care plans typically require new employees to serve only a short eligibility period, if any, before coverage begins (table 100). Many medical care plan participants are allowed to join a plan immediately upon being hired. For participants required to complete a minimum length of service, the required period may range from 1 month to 1 year.

Pre-existing condition limitation

Plans may impose restrictions on care provided to individuals who join a plan with a "pre-existing condition" (table 101). This is a medical condition that

¹⁶ 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)

¹⁷ 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.

existed prior to coverage by the plan. Among the possible restrictions imposed are a limit on the amount the plan will pay for treatment of the condition or a specified time period after joining the plan during which no payment will be made for treatment of the condition.

Coverage for retired workers

Although the Consolidated Omnibus Budget Reconciliation Act of 1985 requires employers to continue health care benefits for employees who are retired, laid off, or otherwise separated from employment, workers may be charged all of the premium costs at group rates. In addition, the continuation period stipulated by the law is limited.¹⁸ The survey of medium and large private establishments focuses on coverage for retired employees that are financed wholly or partly by the employer.

Many of the full-time medical care participants in the survey work for employers who finance, at least in part, medical care protection after retirement (tables 102-103). The vast majority of these workers are in plans that provide postretirement coverage regardless of their age. Retirees are typically covered by the same plan as active employees, although benefits are coordinated with Medicare once a retiree reaches age 65. It is more likely for the coverage to be partly paid by the retiree than to be wholly employer financed.

Dental Care

Dental care benefits are available to a majority of full-time employees in medium and large private establishments. 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.

Employers may impose a service requirement before employees are covered by a dental care plan. When imposed, such requirements are often 3 to 12 months (table 104). Employers may set up a longer service requirement for dental coverage than for medical coverage.

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

coverage. Therefore, employee contribution data are examined in stand-alone dental plans, that is, those that offer dental benefits separately from medical plans. When such plans require an employee contribution, that contribution is typically a flat amount—for example, \$5 per month for individual coverage and \$10 per month for family coverage (tables 105-106).

A large majority of participants covered by dental care plans receive benefits through a fee-for-service plan, which reimburses patients or providers only after services are received (table 107). Such plans are commonly self-insured or obtained through a commercial insurer. The remaining participants have their dental benefits provided through either a health maintenance organization or a preferred provider organization.

Dental plans nearly always cover preventive and restorative services (table 108). Preventive care typically includes dental examinations, prophylaxis (cleaning), and x-rays. Restorative procedures include fillings, periodontal care, endodontic care, prosthetics, and crowns. 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.

Orthodontic care, including straightening teeth and maintaining proper spacing of teeth, is covered less often by dental plans than are other procedures. In addition, plans frequently limit orthodontic coverage to dependent children only.

There are four methods used by dental care plans to cover dental services:

- Plan pays a percent of dental charges;
- Plan pays up to a specified dollar amount per procedure;
- Plan requires patient to pay an initial copayment, after which the plan pays additional charges;
- Plan pays a varying percent of dental charges, based on a patient's past use of dental services.

Dental payments are frequently based on a proportion of the usual, customary, and reasonable charge for a procedure (table 109). The proportion covered by a plan often depends on the type of procedure performed. Less costly procedures such as examinations and x-rays may be covered at 100 percent. Fillings, surgery, endodontics, and periodontics are more likely to be covered at 80 percent. The most expensive procedures—crowns, prosthetics, and orthodontia—are often covered at 50 percent of the usual, customary, and reasonable charge.

Some dental plan participants are offered reimbursement based on a schedule of cash allowances.

¹⁸ 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.

This is more common for restorative services, such as fillings, crowns, and endodontics, than for preventive services. 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 is rarely subject to this type of schedule.

A few plans may require a copayment, after which benefits are paid in full. Copayments, such as \$5 or \$10 per procedure, usually apply to preventive care, though higher copayments are often associated with major dental services.

Finally, payments based on incentive schedules are rare. Under such arrangements, the percent of dental expenses paid by the plan increases each year if the participant regularly gets examinations by a dentist. For example, a plan may pay 70 percent of all dental charges in the first year that services are received. Services in the next year are paid at 80 percent and, in the following year, 90 percent, provided the patient receives a dental examination each year. Should a patient not receive dental care in a given year, future charges would revert to 70 percent.

Frequently, plans specify a deductible amount before any dental benefits are paid by the plan. Deductibles, such as \$25 and \$50 per year (tables 110-111), often apply. However, some plans require the participant to pay a one-time deductible (usually \$50) rather than a yearly deductible. When a deductible is specified, it frequently applies to restorative services. Deductibles are less common for preventive services and orthodontia.

Most plans limit the amount of payment each year by specifying an annual maximum benefit, for example, \$1,000 per year (tables 112-113). Benefits for orthodontic services are often subject to a separate lifetime maximum, commonly ranging between \$1,000 and \$1,500.¹⁹

¹⁹ 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.

As a cost containment technique, most dental participants are in plans that require participants to obtain authorization from the plan before undergoing expensive treatment (table 114). Commonly, procedures costing \$200 or more are subject to advance authorization.

Vision Care

Vision care coverage, when available, is typically provided through a fee-for-service plan. Vision benefits may also be available through an HMO or a PPO, which restrict the providers available to participants (table 115).

Vision benefits cover eyeglasses, and, with few exceptions, eye examinations (table 116). Most vision care participants are also covered for contact lenses. To be included in the survey, contact lenses must be available for cosmetic reasons. Coverage limited to medically necessary contact lenses is not included in the survey.

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

Some vision care participants have eye examinations and eyeglasses paid in full; a few have contact lenses covered in full.²⁰

²⁰ 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 49. Medical care benefits: Summary of selected features, full-time employees, medium and large private establishments, 1993

Item	All employees	Professional, technical, and related employees	Clerical and sales employees	Blue-collar and service employees
Number (in thousands) with medical care ¹	23,519	6,529	5,819	11,172
	Percent			
Total with medical care	100	100	100	100
Traditional fee-for-service ² ...	50	41	42	59
Preferred provider organization ³	26	29	30	22
Prepaid health maintenance organization ⁴	23	28	27	18
Retiree coverage available ⁵	52	59	55	46
With service requirements	44	35	43	49
Coverage for dependents	100	100	100	99

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 The plan pays for specific medical procedures as expenses are incurred.

³ 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 nonmembers' services.

⁴ Includes federally qualified (those meeting standards of the Health Maintenance Act of 1973, as amended) and other HMO's delivering comprehensive health care on a prepayment rather than fee-for-service basis.

⁵ Tabulations cover plans in which insurance was continued for longer than 1 month after retirement. It excludes plans that provide only the retiree's share of premiums for medical insurance under Medicare (Part B).

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: Requirements for employee contributions, by type of funding arrangement, full-time employees, medium and large private establishments, 1993

Contributory status	All employees			Professional, technical, and related employees			Clerical and sales employees			Blue-collar and service employees		
	All plans	Non-HMO plans	HMO plans	All plans	Non-HMO plans	HMO plans	All plans	Non-HMO plans	HMO plans	All plans	Non-HMO plans	HMO plans
Number (in thousands) with single coverage for medical care	23,519	18,179	5,340	6,529	4,709	1,820	5,819	4,268	1,550	11,172	9,202	1,970
Number (in thousands) with family coverage for medical care	23,406	18,067	5,339	6,496	4,677	1,819	5,798	4,249	1,550	11,111	9,141	1,970
	Percent											
Single coverage												
Total with single coverage for medical care	100	100	100	100	100	100	100	100	100	100	100	100
Employee contributions not required	37	40	30	31	32	28	32	33	29	44	47	31
Employee contributions required	61	60	65	67	67	68	65	66	63	55	53	64
Not determinable	2	1	5	2	1	4	3	1	8	1	1	4
Family coverage												
Total with family coverage for medical care	100	100	100	100	100	100	100	100	100	100	100	100
Employee contributions not required	21	24	13	15	17	9	17	18	15	28	31	14
Employee contributions required	76	74	80	82	82	84	79	81	74	70	67	82
Not determinable	3	2	7	3	1	6	4	1	11	2	2	4

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

Table 51. Medical care benefits: Amount and type of employee contribution for individual coverage,¹ full-time employees, medium and large private establishments, 1993

Type and amount of contribution	All employees			Professional, technical, and related employees			Clerical and sales employees			Blue-collar and service employees		
	All plans	Non-HMO plans	HMO plans	All plans	Non-HMO plans	HMO plans	All plans	Non-HMO plans	HMO plans	All plans	Non-HMO plans	HMO plans
Number (in thousands) with contributory coverage	14,314	10,828	3,485	4,406	3,164	1,242	3,799	2,825	974	6,109	4,840	1,270
	Percent											
Total with contributory coverage	100	100	100	100	100	100	100	100	100	100	100	100
Flat monthly amount	63	62	66	58	56	64	66	65	67	65	64	67
Less than \$5.00	3	2	3	2	2	4	2	2	3	3	3	2
\$5.00 - \$9.99	5	4	7	5	3	8	4	4	6	6	5	6
\$10.00 - \$14.99	9	9	11	9	8	10	9	8	12	11	11	10
\$15.00 - \$19.99	6	7	4	5	6	5	6	6	3	7	8	3
\$20.00 - \$29.99	14	14	11	12	13	10	15	17	9	13	14	13
\$30.00 - \$39.99	8	8	10	8	8	7	9	9	10	8	7	14
\$40.00 - \$49.99	8	8	9	8	8	8	9	8	9	9	9	10
\$50.00 - \$59.99	5	4	6	6	5	8	6	6	6	3	3	4
\$60.00 - \$69.99	3	4	3	1	1	2	4	4	3	5	5	3
\$70.00 - \$79.99	1	1	1	1	1	2	1	1	2	1	1	1
\$80.00 - \$89.99	(2)	(2)	1	(2)	(2)	1	1	(2)	2	(2)	(2)	(2)
\$90.00 - \$99.99	1	1	(2)	(2)	(2)	(2)	1	1	1	1	1	(2)
\$100.00 - \$124.99	(2)	(2)	(2)	1	1	(2)	(2)	(2)	(2)	(2)	(2)	1
\$125.00 - \$149.99	(2)	(2)	(2)	(2)	(2)	1	(2)	(2)	(2)	-	-	-
\$150.00 - \$174.99	(2)	(2)	-	(2)	(2)	-	-	-	-	(2)	(2)	-
\$175.00 - \$199.99	(2)	(2)	-	(2)	(2)	-	(2)	(2)	-	(2)	(2)	-
\$200.00 or greater	(2)	(2)	-	(2)	(2)	-	(2)	(2)	-	-	-	-
Composite rate ³	6	7	4	4	5	2	3	4	2	9	9	7
Amount varies by employee option ⁴	19	19	17	26	28	22	18	18	19	13	14	12
Amount varies by earnings ...	3	3	2	3	4	2	3	3	3	2	2	3
Other	1	1	1	1	1	1	1	1	(2)	1	1	1
Contribution not determinable	9	9	9	8	7	9	9	9	9	11	11	11
	Average ⁵											
Average flat monthly contribution	\$31.55	\$31.48	\$31.77	\$31.87	\$31.99	\$31.60	\$33.84	\$33.90	\$33.67	\$29.90	\$29.74	\$30.46

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 Less than 0.5 percent.

³ 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 can not be determined.

⁴ Amount varies by options selected under a "cafeteria plan" or employer-sponsored reimbursement account.

⁵ The average is presented for all covered workers; averages exclude workers without the plan provision.

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: Amount and type of employee contribution for family coverage,¹ full-time employees, medium and large private establishments, 1993

Type and amount of contribution	All employees			Professional, technical, and related employees			Clerical and sales employees			Blue-collar and service employees		
	All plans	Non-HMO plans	HMO plans	All plans	Non-HMO plans	HMO plans	All plans	Non-HMO plans	HMO plans	All plans	Non-HMO plans	HMO plans
Number (in thousands) with contributory coverage	17,723	13,431	4,292	5,355	3,820	1,535	4,587	3,447	1,140	7,781	6,163	1,617
	Percent											
Total with contributory coverage	100	100	100	100	100	100	100	100	100	100	100	100
Flat monthly amount	66	65	70	62	60	68	67	66	70	68	68	71
Less than \$5.00	(²)	(²)	1	(²)	(²)	(²)	1	(²)	1	(²)	(²)	(²)
\$5.00 - \$9.99	(²)	(²)	(²)	(²)	1	(²)	(²)	(²)	(²)	(²)	(²)	(²)
\$10.00 - \$14.99	1	1	1	1	1	2	(²)	(²)	1	1	1	1
\$15.00 - \$19.99	1	1	1	(²)	(²)	1	1	1	1	2	2	1
\$20.00 - \$29.99	4	4	3	3	3	2	2	3	1	5	5	4
\$30.00 - \$39.99	6	6	6	5	5	5	5	4	6	8	9	7
\$40.00 - \$49.99	4	5	2	4	4	3	3	3	1	5	6	2
\$50.00 - \$59.99	4	3	5	4	3	5	3	3	3	4	4	7
\$60.00 - \$69.99	5	5	6	4	4	3	6	6	8	5	5	7
\$70.00 - \$79.99	4	4	4	4	4	5	4	4	3	4	4	4
\$80.00 - \$89.99	2	2	2	2	3	2	2	2	2	2	2	1
\$90.00 - \$99.99	3	4	2	3	3	3	4	5	2	3	3	1
\$100.00 - \$124.99	9	8	9	8	8	9	10	10	9	8	7	10
\$125.00 - \$149.99	7	8	6	7	6	9	9	10	7	7	8	4
\$150.00 - \$174.99	5	4	6	5	4	6	6	5	9	4	3	4
\$175.00 - \$199.99	3	3	4	4	4	3	3	3	4	3	3	4
\$200.00 or greater	8	6	13	8	7	11	8	7	11	7	5	15
Composite rate ³	5	5	3	4	4	1	3	3	1	7	7	5
Amount varies by employee option ⁴	15	16	15	22	24	19	15	15	17	11	11	10
Amount varies by earnings	3	3	2	3	4	1	4	5	3	2	2	2
Other	1	1	1	1	1	1	(²)	(²)	(²)	1	1	1
Contribution not determinable	10	10	9	7	7	9	10	11	9	11	12	10
	Average ⁵											
Average flat monthly contribution (dollars per month)	107.42	102.48	121.84	113.95	112.58	116.94	115.42	112.08	124.98	\$98.72	\$91.70	124.14

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. 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.

² Less than 0.5 percent.

³ 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 can not be determined.

⁴ Amount varies by options selected under a "cafeteria plan" or employer-sponsored reimbursement account.

⁵ The average is presented for all covered workers; averages exclude workers without the plan provision.

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: Pretax status of employee contributions, full-time employees, medium and large private establishments, 1993

Method of payment	All employees	Professional, technical, and related employees	Clerical and sales employees	Blue-collar and service employees
Number (in thousands) with medical care	23,519	6,529	5,819	11,172
	Percent			
Total with medical care	100	100	100	100
Pretax contribution	32	41	37	25
No pretax contribution	45	43	45	47
Data not available	22	16	18	28

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: Coverage for selected services, by type of plan, full-time employees, medium and large private establishments, 1993

Categories of care	All employees			Professional, technical, and related employees			Clerical and sales employees			Blue-collar and service employees		
	All plans	Non-HMO plans	HMO plans	All plans	Non-HMO plans	HMO plans	All plans	Non-HMO plans	HMO plans	All plans	Non-HMO plans	HMO plans
Number of employees (in thousands)	23,519	18,179	5,340	6,529	4,709	1,820	5,819	4,268	1,550	11,172	9,202	1,970
	Percent											
Hospital room and board	100	100	100	100	100	100	100	100	100	100	100	100
Inpatient surgery	100	100	100	100	100	100	100	100	100	100	100	100
Outpatient surgery ¹	100	100	100	100	100	100	100	100	100	100	100	100
Inpatient physician visits	100	100	100	100	100	100	100	100	100	100	100	100
Office physician visits	100	100	100	100	100	100	100	100	100	99	99	100
Diagnostic X-ray and laboratory	100	100	100	100	100	100	100	100	100	100	100	100
Extended care ²	82	81	87	84	82	87	86	85	87	80	78	86
Home health care ²	86	82	96	88	84	97	89	86	96	83	80	96
Hospice care	65	70	49	67	72	52	68	73	53	63	67	43
Inpatient mental health	98	99	93	99	99	96	97	98	92	97	99	92
Outpatient mental health	97	96	99	98	97	99	97	97	98	96	96	99
Alcohol abuse treatment												
Inpatient detoxification ³	98	98	100	99	98	100	98	97	99	99	99	99
Inpatient rehabilitation ⁴	80	85	62	78	85	62	79	86	60	82	86	65
Outpatient rehabilitation ⁴	82	84	78	82	83	78	82	84	77	83	84	78
Drug abuse treatment												
Inpatient detoxification ³	98	97	99	98	98	100	97	96	99	98	98	99
Inpatient rehabilitation ⁴	78	83	62	77	83	62	76	83	59	80	83	63
Outpatient rehabilitation ⁴	80	81	77	81	82	78	81	82	77	79	80	76
Hearing care ⁵	31	13	94	37	14	94	31	8	95	28	14	93
Physical exam	42	25	99	49	29	100	46	26	99	36	23	99
Well-baby care	48	33	98	56	39	98	55	39	98	39	27	97
Immunization and inoculation ...	37	19	98	43	22	97	40	18	98	31	17	98
Birth center	24	30	4	20	27	3	22	28	5	27	32	5

¹ Charges incurred in the outpatient department of a hospital and outside the hospital.

² 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.

³ Detoxification is the systematic use of medication and other methods under medical supervision to reduce or eliminate the effects of substance abuse.

⁴ Rehabilitation is designed to alter abusive behavior in patients once they are free of acute physical and mental complications.

⁵ Plans provide, as a minimum, coverage for hearing examination expenses.

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

Table 55. Non-health maintenance organizations: Coverage for selected services, full-time employees, medium and large private establishments, 1993

Category of care and extent of coverage	All employees	Professional, technical, and related employees	Clerical and sales employees	Blue-collar and service employees
Hospital room and board				
Total with coverage	100	100	100	100
Covered in full	5	6	4	5
Subject to separate limits only ¹	3	3	3	3
Subject to separate limits plus major medical	34	30	27	39
Major medical only ²	58	61	66	53
Inpatient surgery				
Total with coverage	100	100	100	100
Covered in full	13	12	10	15
Subject to separate limits only ¹	1	(³)	(³)	2
Subject to separate limits plus major medical	13	11	9	15
Major medical only ²	73	76	81	68
Outpatient surgery⁴				
Total with coverage	100	100	100	100
Covered in full	16	17	14	17
Subject to separate limits only ¹	1	1	(³)	2
Subject to separate limits plus major medical	12	9	8	15
Major medical only ²	71	74	78	67
Inpatient physician visits				
Total with coverage	100	100	100	100
Covered in full	7	8	7	6
Subject to separate limits only ¹	(³)	(³)	(³)	1
Subject to separate limits plus major medical	17	14	10	22
Major medical only ²	76	78	83	72

See footnotes at end of table.

Table 55. Non-health maintenance organizations: Coverage for selected services, full-time employees, medium and large private establishments, 1993 — Continued

Category of care and extent of coverage	All employees	Professional, technical, and related employees	Clerical and sales employees	Blue-collar and service employees
Office physician visits				
Total with coverage	100	100	100	100
Covered in full	1	1	1	1
Subject to separate limits only ¹	8	10	8	7
Subject to separate limits plus major medical	15	17	15	14
Major medical only ²	76	73	76	79
Diagnostic x-ray and laboratory				
Total with coverage	100	100	100	100
Covered in full	12	11	10	13
Subject to separate limits only ¹	(³)	(³)	(³)	(³)
Subject to separate limits plus major medical	16	13	12	19
Major medical only ²	72	76	79	67

¹ Separate limits apply to individual categories of care; e.g., separate limits or benefits for hospitalization. Limits may be set in terms of dollar or day 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 Major medical 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 Less than 0.5 percent.

⁴ Charges incurred in the outpatient department of a hospital and outside of the hospital.

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

Table 56. Non-health maintenance organizations: Coverage for alternatives to hospital care, full-time employees, medium and large private establishments, 1993

Category of care and extent of coverage	All employees	Professional, technical, and related employees	Clerical and sales employees	Blue-collar and service employees
Extended care¹				
Total with coverage	100	100	100	100
Covered in full	2	2	2	2
Subject to separate limits only ²	11	11	9	12
Subject to separate limits plus major medical	65	63	65	67
Major medical only ³	21	24	24	19
Home health care¹				
Total with coverage	100	100	100	100
Covered in full	5	6	5	5
Subject to separate limits only ²	12	11	9	14
Subject to separate limits plus major medical	50	49	55	48
Major medical only ³	33	34	31	33
Hospice care				
Total with coverage	100	100	100	100
Covered in full	5	6	3	5
Subject to separate limits only ²	16	16	13	18
Subject to separate limits plus major medical	42	39	50	38
Major medical only ³	37	39	34	38

¹ 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.

² Separate limits apply to individual categories of care; e.g., separate limits or benefits for extended care. Limits may be set in terms of dollar or day ceilings on benefits, a requirement that the participant pay a percentage of costs (coinsurance), or a requirement that the participant pay a specific amount (deductible or copayment) before reimbursement begins or services are rendered.

³ Major medical limits are expressed 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.

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

Table 57. Non-health maintenance organizations: Coverage for mental health and substance abuse treatment, full-time employees, medium and large private establishments, 1993

Category of care and extent of coverage	All employees	Professional, technical, and related employees	Clerical and sales employees	Blue-collar and service employees
Inpatient mental health				
Total with coverage	100	100	100	100
Covered in full	1	2	1	1
Subject to separate limits only ¹	9	11	7	8
Subject to separate limits plus major medical	81	75	83	83
Major medical only ²	9	12	10	7
Outpatient mental health				
Total with coverage	100	100	100	100
Covered in full	(³)	(³)	(³)	1
Subject to separate limits only ¹	9	11	7	8
Subject to separate limits plus major medical	87	83	89	88
Major medical only ²	4	6	3	3
Inpatient alcohol detoxification⁴				
Total with coverage	100	100	100	100
Covered in full	3	3	3	2
Subject to separate limits only ¹	15	17	12	16
Subject to separate limits plus major medical	82	79	85	81
Major medical only ²	1	(³)	1	1
Inpatient alcohol rehabilitation⁵				
Total with coverage	100	100	100	100
Covered in full	1	2	1	1
Subject to separate limits only ¹	18	19	12	19
Subject to separate limits plus major medical	81	79	86	79
Major medical only ²	(³)	(³)	1	(³)
Outpatient alcohol rehabilitation⁵				
Total with coverage	100	100	100	100
Covered in full	(³)	1	(³)	(³)
Subject to separate limits only ¹	14	14	10	16
Subject to separate limits plus major medical	78	75	81	78
Major medical only ²	7	10	8	6

See footnotes at end of table.

Table 57. Non-health maintenance organizations: Coverage for mental health and substance abuse treatment, full-time employees, medium and large private establishments, 1993 — Continued

Category of care and extent of coverage	All employees	Professional, technical, and related employees	Clerical and sales employees	Blue-collar and service employees
Inpatient drug detoxification⁴				
Total with coverage	100	100	100	100
Covered in full	2	3	2	2
Subject to separate limits only ¹	13	15	10	13
Subject to separate limits plus major medical	73	67	74	75
Major medical only ²	12	15	14	9
Inpatient drug rehabilitation⁵				
Total with coverage	100	100	100	100
Covered in full	1	2	1	1
Subject to separate limits only ¹	17	17	11	19
Subject to separate limits plus major medical	76	72	80	77
Major medical only ²	6	9	8	3
Outpatient drug rehabilitation⁵				
Total with coverage	100	100	100	100
Covered in full	(³)	1	(³)	(³)
Subject to separate limits only ¹	13	13	10	15
Subject to separate limits plus major medical	79	76	82	80
Major medical only ²	7	10	8	5

¹ Separate limits apply to individual categories of care; e.g., separate limits or benefits for inpatient mental health. Limits may be set in terms of dollar or day 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 Major medical 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 Less than 0.5 percent.

⁴ Detoxification is the systematic use of medication and other methods under medical supervision to reduce or eliminate the effects of substance abuse.

⁵ 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 58. Health maintenance organizations: Coverage for selected services, full-time employees, medium and large private establishments, 1993

Category of care and extent of coverage	All employees	Professional, technical, and related employees	Clerical and sales employees	Blue-collar and service employees
Hospital room and board				
Total with coverage	100	100	100	100
Covered in full	82	85	84	77
Subject to limits ¹	18	15	16	23
Inpatient surgery				
Total with coverage	100	100	100	100
Covered in full	97	97	98	96
Subject to limits ¹	3	3	2	4
Outpatient surgery²				
Total with coverage	100	100	100	100
Covered in full	95	96	94	95
Subject to limits ¹	5	4	6	5
Inpatient physician visits				
Total with coverage	100	100	100	100
Covered in full	97	96	98	96
Subject to limits ¹	3	4	2	4
Office physician visits				
Total with coverage	100	100	100	100
Covered in full	21	23	18	21
Subject to limits ¹	79	77	82	79
Diagnostic x-ray and laboratory services				
Total with coverage	100	100	100	100
Covered in full	98	97	98	98
Subject to limits ¹	2	3	2	2

¹ Limits may be set in terms of dollar or day 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 Charges incurred in the outpatient department of a hospital and outside of the hospital

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

Table 59. Health maintenance organizations: Coverage for alternatives to hospital care, full-time employees, medium and large private establishments, 1993

Category of care and extent of coverage	All employees	Professional, technical, and related employees	Clerical and sales employees	Blue-collar and service employees
Extended care¹				
Total with coverage	100	100	100	100
Covered in full	26	23	26	28
Subject to limits ²	74	77	74	72
Home health care¹				
Total with coverage	100	100	100	100
Covered in full	82	83	80	83
Subject to limits ²	18	17	20	17
Hospice care				
Total with coverage	100	100	100	100
Covered in full	75	76	79	71
Subject to limits ²	25	24	21	29

¹ 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.

² Limits may be set in terms of dollar or day ceilings on benefits, a requirement that the participant pay a percentage of cost (coinsurance), or a requirement that the participant pay a specific amount (deductible or copayment) before reimbursement begins or services are rendered.

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

Table 60. Health maintenance organizations: Coverage for mental health and substance abuse treatment, full-time employees, medium and large private establishments, 1993

Category of care and extent of coverage	All employees	Professional, technical, and related employees	Clerical and sales employees	Blue-collar and service employees
Inpatient mental health				
Total with coverage	100	100	100	100
Covered in full	5	6	6	4
Subject to limits ¹	95	94	94	96
Outpatient mental health				
Total with coverage	100	100	100	100
Covered in full	2	2	2	1
Subject to limits ¹	98	98	98	99
Inpatient alcohol detoxification²				
Total with coverage	100	100	100	100
Covered in full	43	44	49	38
Subject to limits ¹	57	56	51	62
Inpatient alcohol rehabilitation³				
Total with coverage	100	100	100	100
Covered in full	9	10	9	8
Subject to limits ¹	91	90	91	92
Outpatient alcohol rehabilitation³				
Total with coverage	100	100	100	100
Covered in full	6	6	6	5
Subject to limits ¹	94	94	94	95

See footnotes at end of table.

Table 60. Health maintenance organizations: Coverage for mental health and substance abuse treatment, full-time employees, medium and large private establishments, 1993 — Continued

Category of care and extent of coverage	All employees	Professional, technical, and related employees	Clerical and sales employees	Blue-collar and service employees
Inpatient drug detoxification²				
Total with coverage	100	100	100	100
Covered in full	45	47	52	38
Subject to limits ¹	55	53	48	62
Inpatient drug rehabilitation³				
Total with coverage	100	100	100	100
Covered in full	10	10	11	9
Subject to limits ¹	90	90	89	91
Outpatient drug rehabilitation³				
Total with coverage	100	100	100	100
Covered in full	6	6	6	5
Subject to limits ¹	94	94	94	95

¹ Limits may be set in terms of dollar or day ceilings on benefits, a requirement that the participant pay a percentage of cost (coinsurance), or a requirement that the participant pay a specific amount (deductible or copayment) before reimbursement begins or services are rendered.

² Detoxification is the systematic use of medication and other methods under medical supervision to reduce or eliminate the effects of substance abuse.

³ 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 61. Medical care benefits¹: Fee arrangement and financial intermediary, full-time employees, medium and large private establishments, 1993

Fee arrangement and financial intermediary	All employees	Professional, technical, and related employees	Clerical and sales employees	Blue-collar and service employees
Number (in thousands) with medical care	23,519	6,529	5,819	11,172
	Percent			
Total with medical care	100	100	100	100
Traditional fee-for-service ² ...	50	41	42	59
Self insured ³	30	24	26	35
Commercial insurance company	12	9	10	14
Blue Cross/Blue Shield	8	7	5	10
Independent organization ⁴	(5)	(5)	(5)	(5)
Combined financed ⁶	(5)	(5)	1	(5)
Preferred provider organization ⁷	26	29	30	22
Self insured ³	16	19	19	13
Commercial insurance company	6	6	7	6
Blue Cross/Blue Shield	3	4	4	2
Independent organization ⁴	(5)	1	(5)	(5)
Combined financed ⁶	(5)	(5)	(5)	(5)

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 These plans pay for specific medical procedures as expenses are incurred.

³ 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.

Table 61. Medical care benefits¹: Fee arrangement and financial intermediary, full-time employees, medium and large private establishments, 1993 — Continued

Fee arrangement and financial intermediary	All employees	Professional, technical, and related employees	Clerical and sales employees	Blue-collar and service employees
	Percent			
Health maintenance organization ⁸	23	28	27	18
Commercial insurance company	3	4	4	2
Blue Cross/Blue Shield	3	3	3	2
Independent organization ⁴	17	22	20	14
Other ⁹	1	2	1	1

⁴ These organizations provide and finance all benefits, but are not affiliated with an insurance company or Blue Cross/Blue Shield.

⁵ Less than 0.5 percent.

⁶ These are plans where the financing comes from two different kinds of financial intermediaries. For example, an establishment contracts with Blue Cross/Blue Shield to pay part of the benefits and a commercial company to pay the other benefits.

⁷ A preferred provider organization (PPG) 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.

⁸ 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.

⁹ 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 62. Self-insured medical care benefits¹: Administrative provisions, full-time employees, medium and large private establishments, 1993

Funding and administration	All employees	Professional, technical, and related employees	Clerical and sales employees	Blue-collar and service employees
Number (in thousands) with self-insured plans	11,148	2,871	2,702	5,576
	Percent			
Total with self-insured plans	100	100	100	100
Administrative service only contract ²	52	52	56	51
Minimum premium payment ³	2	1	1	4
Administrative service only ^c and minimum premium payment	4	3	3	5
No administrative service only or minimum premium payment	42	45	40	41

¹ 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.

² An arrangement where an establishment pays the cost of benefits but hires another establishment to handle administrative services.

³ An arrangement where an establishment self-insures benefits up to a certain level of payments then contracts with an insurer to pay claims above this level.

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

Table 63. Health maintenance organizations: Summary of selected features, full-time employees, medium and large private establishments, 1993

Feature	All employees	Professional, technical, and related employees	Clerical and sales employees	Blue-collar and service employees
Number (in thousands) in HMO plans	5,340	1,820	1,550	1,970
	Percent			
Total in HMO plans	100	100	100	100
Model type:				
Group/staff ¹	41	42	39	41
Individual practice association ²	52	51	53	52
Mixed model	7	7	9	6
Point of service feature ³	10	11	10	7
Federally qualified	80	81	81	80
Limit on copayments ⁴	19	12	18	28
Preventive dental care ⁵	5	6	6	4
Vision screening or examinations	14	15	9	16

¹ Care is provided at centralized locations.

² Care is provided by doctors working out of their offices.

³ Enrollees may obtain care from non-HMO providers, with limited reimbursement.

⁴ In these plans, HMO's limit the dollar amount the individual pays after which coverage is in full. For example, there is a copayment limit of \$1,000 after which the HMO covers all services at 100 percent.

⁵ Includes dental examinations and/or x-rays only.

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

Table 64. Non-health maintenance organizations: Amount of individual deductible,¹ full-time employees, medium and large private establishments, 1993

Deductible ²	All employees			Professional, technical, and related employees			Clerical and sales employees			Blue-collar and service employees		
	All non-HMO plans	Fee-for-service plans	Pre-ferred pro-vider oga-nizations	All non-HMO plans	Fee-for-service plans	Pre-ferred pro-vider oga-nizations	All non-HMO plans	Fee-for-service plans	Pre-ferred pro-vider oga-nizations	All non-HMO plans	Fee-for-service plans	Pre-ferred pro-vider oga-nizations
Number (in thousands) in non-HMO plans	18,179	11,802	6,077	4,709	2,709	1,895	4,268	2,450	1,762	9,202	6,644	2,420
	Percent											
Total in non-HMO plans	100	100	100	100	100	100	100	100	100	100	100	100
Deductible specified	87	95	74	85	94	74	87	97	76	89	95	74
Deductible on an annual basis ³	87	94	74	84	92	73	87	96	76	89	94	74
Based on earnings ⁴	6	7	2	8	11	4	6	9	2	4	5	1
Flat dollar amount	81	87	72	76	81	69	81	88	73	85	89	73
Less than \$50	(⁵)	(⁵)	-	(⁵)	1	-	-	-	-	(⁵)	(⁵)	-
\$50	2	2	2	1	1	1	1	2	1	4	3	5
\$51 - \$99	1	1	2	2	(⁵)	3	1	1	1	1	1	2
\$100	22	24	18	16	17	15	19	19	19	26	29	19
\$101 - \$149	(⁵)	(⁵)	(⁵)	(⁵)	1	(⁵)	(⁵)	1	(⁵)	(⁵)	(⁵)	(⁵)
\$150	10	12	9	12	14	9	10	11	8	10	11	8
\$151 - \$199	(⁵)	(⁵)	1	1	1	1	1	1	1	(⁵)	(⁵)	1
\$200	19	22	16	17	17	17	19	23	14	21	23	15
\$201 - \$249	(⁵)	(⁵)	(⁵)	(⁵)	(⁵)	-	(⁵)	1	(⁵)	(⁵)	(⁵)	(⁵)
\$250	12	11	13	12	12	14	15	14	16	10	9	11
\$251 - \$299	(⁵)	(⁵)	(⁵)	1	1	1	(⁵)	(⁵)	(⁵)	(⁵)	(⁵)	-
\$300	5	6	5	3	4	2	5	5	5	7	7	7
Over \$300	8	8	7	10	12	7	10	10	9	5	5	5
Other	(⁵)	1	(⁵)	1	2	(⁵)	(⁵)	1	(⁵)	(⁵)	(⁵)	(⁵)
No deductible	12	4	26	14	5	26	12	3	24	11	5	26
Not determinable	(⁵)	1	-	1	2	-	(⁵)	(⁵)	-	(⁵)	(⁵)	-
	Average ⁶											
Average annual deductible	\$218	\$220	\$216	\$238	\$251	\$221	\$231	\$231	\$235	\$203	\$204	\$198

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 the family deductibles are identical. If the deductible applied only to dependents' coverage, it was not tabulated.

³ Deductibles are calculated on an annual basis, with the enrollee

responsible for satisfying a new deductible requirement each plan year.

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.

⁶ The average is presented for all covered workers; averages exclude workers without the plan provision.

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

Table 65. Non-health maintenance organizations: Relationship of individual and family deductibles,¹ full-time employees, medium and large private establishments, 1993

Relationship of individual and family deductibles	All employees			Professional, technical, and related employees			Clerical and sales employees			Blue-collar and service employees		
	All non-HMO plans	Fee-for-service plans	Preferred provider organizations	All non-HMO plans	Fee-for-service plans	Preferred provider organizations	All non-HMO plans	Fee-for-service plans	Preferred provider organizations	All non-HMO plans	Fee-for-service plans	Preferred provider organizations
Number (in thousands) in non-HMO plans	18,179	11,802	6,077	4,709	2,709	1,895	4,268	2,450	1,762	9,202	6,644	2,420
	Percent											
Total with non-HMO plans	100	100	100	100	100	100	100	100	100	100	100	100
Individual and family deductibles specified	74	78	68	70	74	67	77	82	71	74	77	66
Family deductible is multiple of individual deductible ²	63	65	60	63	66	59	67	70	64	61	62	58
1 times	1	1	-	(³)	(³)	-	1	1	-	1	2	-
1.1 to 1.9 times	1	1	1	1	1	1	(³)	(³)	1	1	1	1
2 times	32	34	29	34	37	31	35	39	29	30	32	26
2.1 to 2.4 times	1	1	1	1	1	1	1	1	(³)	1	2	1
2.5 times	3	4	2	3	4	2	3	5	1	3	3	3
2.6 to 2.9 times	(³)	1	(³)	1	1	(³)	(³)	(³)	(³)	(³)	1	(³)
3 times	24	22	27	23	22	24	27	24	31	23	22	27
Greater than 3 times	(³)	(³)	(³)	(³)	(³)	1	(³)	(³)	(³)	(³)	-	(³)
Specified number of individual deductibles must be met to satisfy family deductible ⁴	11	13	8	7	8	7	10	12	7	13	15	8
Less than 3 individual deductibles	5	6	3	3	4	1	6	7	4	5	6	3
3 individual deductibles	6	7	5	4	3	6	4	5	3	8	10	5
More than 3 individual deductibles	(³)	(³)	(³)	(³)	-	(³)	(³)	-	(³)	(³)	(³)	(³)
No individual and/or family deductible	26	22	32	29	25	33	23	17	29	25	22	34
Not determinable	(³)	1	-	1	2	-	(³)	(³)	-	(³)	(³)	-

¹ Deductibles are calculated on an annual basis with the enrollee responsible for satisfying a new deductible requirement each plan year.

² For example, the individual deductible requirement is \$100 while the family deductible requirement is \$300.

³ Less than 0.5 percent.

⁴ For example, the individual requirement is \$100 and three individual deductibles must be met to satisfy the family requirement.

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

Table 66. Non-health maintenance organizations: Coinsurance rates, full-time employees, medium and large private establishments, 1993

Coinsurance	All employees			Professional, technical, and related employees			Clerical and sales employees			Blue-collar and service employees		
	All non-HMO plans	Fee-for-service plans	Preferred provider organizations	All non-HMO plans	Fee-for-service plans	Preferred provider organizations	All non-HMO plans	Fee-for-service plans	Preferred provider organizations	All non-HMO plans	Fee-for-service plans	Preferred provider organizations
Number (in thousands) in non-HMO plans	18,179	11,802	6,077	4,709	2,709	1,895	4,268	2,450	1,762	9,202	6,644	2,420
	Percent											
Total with non-HMO plans	100	100	100	100	100	100	100	100	100	100	100	100
With coinsurance ¹	90	97	78	87	98	74	92	98	82	91	96	77
Coinsurance rate ²												
80 percent	71	86	44	65	84	39	70	86	48	75	86	45
85 percent	3	3	4	4	5	3	4	3	5	3	2	4
90 percent	12	4	27	15	6	29	14	5	26	10	4	27
Other percent	3	4	2	2	2	3	3	4	2	3	4	1
Varies ³	(⁴)	(⁴)	(⁴)	(⁴)	(⁴)	-	1	1	1	(⁴)	(⁴)	(⁴)
Other	(⁴)	-	(⁴)	(⁴)	-	(⁴)	(⁴)	-	(⁴)	(⁴)	-	(⁴)
Without coinsurance ⁵	10	3	22	13	2	26	8	2	18	9	4	23

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 expenses reach \$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 Less than 0.5 percent.

⁵ Includes plans with overall benefit limitations, such as maximum dollar amounts and deductibles, where the coinsurance rate is 100 percent.

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

Table 67. Non-health maintenance organizations: Maximum out-of-pocket expense provisions, full-time employees, medium and large private establishments, 1993

Item	All employees			Professional, technical, and related employees			Clerical and sales employees			Blue-collar and service employees		
	All non-HMO plans	Fee-for-service plans	Preferred provider organizations	All non-HMO plans	Fee-for-service plans	Preferred provider organizations	All non-HMO plans	Fee-for-service plans	Preferred provider organizations	All non-HMO plans	Fee-for-service plans	Preferred provider organizations
Number (in thousands) with non-HMO plans	18,179	11,802	6,077	4,709	2,709	1,895	4,268	2,450	1,762	9,202	6,644	2,420
	Percent											
Total with non-HMO plans	100	100	100	100	100	100	100	100	100	100	100	100
With limit on out-of-pocket expense	83	86	79	83	87	78	88	92	84	81	83	77
With an annual dollar maximum on out-of-pocket expense ¹	75	79	69	73	77	68	79	83	74	74	77	66
Per individual:												
\$1 - \$299	1	1	(²)	1	1	(²)	1	1	(²)	1	1	(²)
\$300	1	1	1	(²)	(²)	1	(²)	1	(²)	1	1	1
\$301 - \$399	1	1	(²)	(²)	1	-	1	(²)	1	1	1	(²)
\$400	4	5	3	4	5	4	4	5	3	4	5	3
\$401 - \$499	1	1	(²)	(²)	1	(²)	(²)	(²)	1	1	1	1
\$500	8	8	6	9	10	6	7	8	5	8	8	7
\$501 - \$749	3	4	3	3	3	4	4	5	4	3	4	2
\$750 - \$999	7	8	7	8	8	8	7	8	7	7	8	6
\$1,000	17	17	17	15	16	15	18	19	16	17	17	18
\$1,001 - \$1,499	8	8	7	9	9	8	9	8	10	7	8	3
\$1,500 - \$1,999	11	12	9	9	10	9	12	13	10	11	12	9
\$2,000	7	7	7	7	9	5	9	9	9	6	6	7
\$2,000 or greater	7	7	8	7	6	7	7	7	8	7	7	8
Per family:												
\$1 - \$499	(²)	1	(²)	(²)	(²)	(²)	(²)	1	(²)	1	1	(²)
\$500 - \$749	1	2	1	1	1	(²)	2	2	1	2	2	2
\$750 - \$999	2	2	1	2	2	1	1	1	1	2	2	2
\$1,000	3	2	3	4	3	4	4	4	3	2	1	2
\$1,001 - \$1,249	1	1	2	2	1	2	2	2	3	1	1	1
\$1,250 - \$1,499	1	1	1	1	1	1	1	1	1	1	1	1
\$1,500	2	2	2	3	3	3	2	2	2	2	1	2
\$1,501 - \$1,999	4	4	2	3	3	4	3	5	2	4	5	2
\$2,000	6	6	6	6	5	6	7	7	7	6	6	4
\$2,001 - \$2,999	6	5	8	8	7	9	7	5	10	4	3	5
\$3,000	7	5	9	7	6	9	7	7	8	6	4	11
\$3,001 or greater	11	10	13	9	9	11	12	12	14	11	10	13
No family maximum ..	32	39	21	28	35	19	31	37	23	35	40	21
Annual maximum on out-of-pocket expense based on earnings	4	5	3	5	7	3	6	7	5	3	3	1
Annual maximum on out-of-pocket expense varies by coinsurance rate ³	3	1	7	3	1	6	2	1	5	3	1	10
Other	1	1	(²)	1	2	(²)	(²)	1	(²)	1	1	(²)
No out-of-pocket expense required ⁴	8	3	17	10	2	19	6	2	12	8	4	19
No limit on out-of-pocket expense	8	11	4	7	9	4	5	7	4	10	13	4

See footnotes at end of table.

Table 67. Non-health maintenance organizations: Maximum out-of-pocket expense provisions, full-time employees, medium and large private establishments, 1993 — Continued

Item	All employees			Professional, technical, and related employees			Clerical and sales employees			Blue-collar and service employees		
	All non-HMO plans	Fee-for-service plans	Preferred provider organizations	All non-HMO plans	Fee-for-service plans	Preferred provider organizations	All non-HMO plans	Fee-for-service plans	Preferred provider organizations	All non-HMO plans	Fee-for-service plans	Preferred provider organizations
Not determinable	Percent											
	(²)	1	(²)	1	1	(²)	(²)	(²)	(²)	(²)	(²)	(²)
Average annual dollar maximum on individual out-of-pocket expense	Average ⁵											
	\$1,319	\$1,288	\$1,408	\$1,288	\$1,230	\$1,404	\$1,311	\$1,271	\$1,393	\$1,339	\$1,319	\$1,424
Average annual dollar maximum on family out-of-pocket expense	2,642	2,544	2,852	2,633	2,545	2,786	2,692	2,592	2,865	2,620	2,522	2,897

¹ Deductible amounts were excluded from computation of the out-of-pocket dollar limits. With rare exceptions, an out-of-pocket limit was specified on an annual basis. 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.

² Less than 0.5 percent.

³ 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.

⁴ All covered expenses are paid at 100 percent.

⁵ The average is presented for all covered workers; averages exclude workers without the plan provision.

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

Table 68. Non-health maintenance organizations: Maximum benefit provisions, full-time employees, medium and large private establishments, 1993

Maximum ¹	All employees	Professional, technical and related employees	Clerical and sales employees	Blue-collar and service employees
Number (in thousands) with non-HMO plans	18,179	4,709	4,268	9,202
	Percent			
Total with non-HMO plans	100	100	100	100
With maximum limits	80	76	74	83
Lifetime maximum only	75	73	70	78
\$25,000	(²)	1	(²)	(²)
\$25,001 - \$49,999	(²)	-	-	(²)
\$50,000	1	(²)	(²)	1
\$50,001 - \$99,999	(²)	(²)	-	(²)
\$100,000	1	(²)	(²)	1
\$100,001 - \$249,999	1	(²)	(²)	1
\$250,000	7	5	3	9
\$250,001 - \$499,999	1	(²)	(²)	1
\$500,000	12	8	7	15
\$500,001 - \$999,999	1	1	2	1
\$1,000,000	46	49	49	42
More than \$1,000,000 ..	6	8	7	5
Annual or disability maximum only	3	2	2	4
Both lifetime and annual or disability maximums	2	1	2	2
Other maximum	(²)	(²)	(²)	-
Without maximum limits	20	23	26	16
Not determinable	(²)	1	-	(²)
	Average ³			
Average lifetime maximum	\$910,495	\$990,763	\$989,753	\$839,035

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 The average is presented for all covered workers; averages exclude workers without the plan provision.

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

Table 69. Non-health maintenance organizations: Major medical coinsurance rate for selected services, full-time employees, medium and large private establishments, 1993

Item	All employees	Professional, technical, and related employees	Clerical and sales employees	Blue-collar and service employees
Number (in thousands) with major medical coverage for hospital room and board	16,702	4,298	3,976	8,429
Number (in thousands) with major medical coverage for inpatient surgery	15,648	4,123	3,835	7,690
Number (in thousands) with major medical coverage for outpatient surgery	15,049	3,880	3,670	7,498
Number (in thousands) with major medical coverage for extended care plans	12,776	3,348	3,240	6,188
Percent				
Hospital room and board				
Total with major medical coverage for hospital room and board	100	100	100	100
Overall plan coinsurance percent ¹	91	88	91	92
Separate coinsurance percent ²	9	12	9	8
Less than 80	(³)	-	-	(³)
80	(³)	(³)	(³)	1
81 - 89	(³)	(³)	(³)	(³)
90	2	2	2	1
95	(³)	(³)	-	(³)
100	6	9	6	5
Coininsurance varies ⁴ ..	(³)	(³)	1	(³)
Inpatient surgery				
Total with major medical coverage for inpatient surgery	100	100	100	100
Overall plan coinsurance percent ¹	93	89	94	94
Separate coinsurance percent ²	7	11	6	6
80	1	1	1	(³)
81 - 89	(³)	(³)	(³)	-
90	(³)	1	(³)	(³)
95	1	2	1	1
96 - 99	(³)	(³)	(³)	(³)
100	5	7	4	4

See footnotes at end of table.

Table 69. Non-health maintenance organizations: Major medical coinsurance rate for selected services, full-time employees, medium and large private establishments, 1993 — Continued

Item	All employees	Professional, technical, and related employees	Clerical and sales employees	Blue-collar and service employees
Outpatient surgery				
Total with major medical coverage for outpatient surgery	100	100	100	100
Overall plan coinsurance percent ¹	81	78	82	83
Separate coinsurance percent ²	19	22	18	17
80	(³)	(³)	1	(³)
81 - 89	(³)	(³)	(³)	(³)
90	1	2	2	(³)
100 percent	17	19	15	16
Extended care				
Total with major medical coverage for extended care	100	100	100	100
Overall plan coinsurance percent ¹	81	83	85	79
Separate coinsurance percent ²	19	17	15	21
Less than 80	2	1	2	2
80	3	3	2	3
90	(³)	(³)	(³)	(³)
95	(³)	(³)	(³)	(³)
100	12	11	9	14
Coininsurance varies ⁴ ..	2	1	2	2

¹ The plan coinsurance is expressed in terms of total benefits payable under the plan, rather than for individual items. The overall coinsurance applies to many, if not all, types of medical care covered under the plan.

² Separate coinsurance limits apply to individual categories of care, e.g. separate limits or benefits for outpatient surgery.

³ Less than 0.5 percent.

⁴ The coinsurance rate varies by days or a specified dollar amount of expense. For example, 80 percent coverage up to \$5,000 and 90 percent thereafter.

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: Average major medical provisions, full-time employees, medium and large private establishments, 1993

Average ¹	All employees	Professional, technical, and related employees	Clerical and sales employees	Blue-collar and service employees
Annual deductible ²				
Individual	\$218	\$238	\$231	\$203
Family	535	563	566	503
Annual out-of-pocket expense maximum ³				
Individual	1,319	1,288	1,311	1,339
Family	2,642	2,633	2,692	2,620
Lifetime maximum ⁴	910,495	990,763	989,753	839,035

¹ The average is presented for all covered workers; averages exclude workers without the plan provision.

² The deductible is the amount of covered expenses that an individual or family 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.

³ The out-of-pocket expense maximum is the amount an individual or family must pay before the plan will pay 100 percent of additional charges. Deductible amounts were excluded from computation of the out-of-pocket dollar limits. Usually, out-of-pocket limits were specified on an annual basis. Charges for certain services, such as mental health care, may not be counted toward the out-of-pocket maximum.

⁴ The maximum is the total amount of expenses that the plan will pay. Maximum described is for each insured person. Where the maximum differed for employees and dependents, the employee maximum was tabulated.

Table 71. Preferred provider organizations:¹ Summary of selected features, full-time employees, medium and large private establishments, 1993

Item	All employees	Professional, technical, and related employees	Clerical and sales employees	Blue-collar and service employees
Number (in thousands) in PPO plans	6,077	1,895	1,762	2,420
	Percent			
Total with PPO plans	100	100	100	100
Services subject to PPO incentive:				
Hospital room and board ..	96	98	98	94
Surgery	83	83	79	86
Physician's in-hospital visits	83	84	80	86
Office visits	81	81	77	84
Outpatient prescription drugs	29	27	23	35
Type of PPO incentives: ²				
Coinsurance rate differs ...	90	92	87	91
Lower annual deductible ...	37	41	35	35
Higher lifetime maximum benefit limit	5	6	6	4
Lower catastrophic maximum limit	44	47	41	45
Lower hospital deductible	22	26	24	19
Office visits copayment	39	45	37	37
PPO copayment, traditional plan covered by major medical	37	43	35	33
Other	3	2	2	4
Outpatient prescription drugs copayment	16	14	12	20
PPO copayment, traditional plan covered by major medical	8	9	7	8
Other	8	5	6	12
Discounted for PPO ³	5	3	9	3
No data provided	(⁴)	-	1	1

¹ 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.

² Sum of individual items is greater than the total because many plan participants were in plans with more than one incentive.

³ The amount of total expenses incurred by the individual is discounted under the PPO. For example, under the non-PPO, total expenses are \$10,000; under the PPO, total expenses are discounted by 10 percent.

⁴ Less than 0.5 percent.

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

Table 72. Medical care benefits: Availability of managed care benefits, full-time employees, medium and large private establishments, 1993

Managed care plan	All employees	Professional, technical, and related employees	Clerical and sales employees	Blue-collar and service employees
Number (in thousands) with medical care	23,519	6,529	5,819	11,172
	Percent			
Total with medical care	100	100	100	100
With managed care benefits	90	92	94	87
Traditional fee-for-service with managed care features ¹	40	33	36	47
Preferred provider organization ²	26	29	30	22
Exclusive provider organization ³	1	2	1	1
Prepaid health maintenance organization ⁴	23	28	27	18
Without managed care	10	8	6	13

¹ Fee-for-service plans with preadmission certification or mandatory second surgical opinion features.

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 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 73. Non-health maintenance organizations: Availability of selected cost containment features, full-time employees, medium and large private establishments, 1993

Cost containment feature	All employees	Professional, technical, and related employees	Clerical and sales employees	Blue-collar and service employees
Number (in thousands) in non-HMO plans	18,179	4,709	4,268	9,202
	Percent			
Total with non-HMO plans	100	100	100	100
Preadmission certification requirement	74	72	78	73
Utilization or concurrent review	42	43	44	41
Preadmission testing	51	49	48	54
Nonemergency weekend admission restriction	14	14	15	13
Hospital audit program	14	14	15	13

NOTE: Sum of individual items may be greater than the total because many participants were in plans with more than one type of cost containment feature.

Table 74. Non-health maintenance organizations: Prehospitalization certification requirements, full-time employees, medium and large private establishments, 1993

Item	All employees	Professional, technical, and related employees	Clerical and sales employees	Blue-collar and service employees
Number (in thousands) with preadmission certification ...	13,395	3,387	3,325	6,683
	Percent			
Total with preadmission certification	100	100	100	100
Plan does not impose penalty	3	2	5	2
Plan does impose penalty ¹ ...	97	98	95	98
No benefit	5	3	3	6
Deductible on hospital admission	35	36	38	34
Less than \$100	1	1	(²)	1
\$100 - \$199	3	4	6	2
\$200 - \$299	13	10	13	14
\$300 - \$399	7	7	7	6
\$400 - \$499	3	3	3	4
\$500 or greater	9	12	9	7
Reduced coinsurance paid by plan	34	35	31	34
40 percent	1	1	1	1
50 percent	18	19	17	18
60 percent	4	5	5	3
80 percent	3	4	3	3
Other percent	8	7	6	10
Reduced coinsurance paid by plan up to maximum deductible on hospital admission	10	12	9	10
Reduced coinsurance and separate deductible per admission	2	3	1	3
Other	3	2	3	3
Penalty not determinable ..	8	8	9	9

¹ Sum of individual items may exceed total because more than one type of penalty may apply.

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 75. Non-health maintenance organizations: Second surgical opinion provisions, full-time employees, medium and large private establishments, 1993

Second surgical opinion	All employees	Professional, technical, and related employees	Clerical and sales employees	Blue-collar and service employees
Number (in thousands) in non-HMO plans	18,179	4,709	4,268	9,202
	Percent			
Total with non-HMO plans	100	100	100	100
With second surgical opinion program	75	75	74	76
With no penalties for non-compliance	31	31	31	30
With penalties for non-compliance	44	44	42	45
Coinsurance reduced to:				
60 percent	3	2	3	3
50 percent	18	19	18	17
40 percent	2	4	3	2
Other	7	6	5	9
Lower schedule of payments	1	1	1	1
No coverage	2	1	1	2
Deductible imposed	5	6	6	5
Other penalties	3	2	3	3
Penalty not determinable ..	4	3	3	4
No second surgical opinion program	25	25	26	24

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

Table 76. Non-health maintenance organizations: Extent of coverage for hospital room and board, full-time employees, medium and large private establishments, 1993

Extent of coverage	All employees	Professional, technical, and related employees	Clerical and sales employees	Blue-collar and service employees
Number (in thousands) in non-HMO plans with hospital room and board coverage	18,179	4,709	4,268	9,202
	Percent			
Total in non-HMO plans with hospital room and board coverage	100	100	100	100
First dollar coverage only ¹	8	9	7	8
First dollar coverage then major medical	34	30	27	39
Major medical only ²	58	61	66	53

¹ Includes plans in which all expenses were reimbursed for the full semiprivate room rate for a specified dollar amount, or for a limited or unlimited number of days.

² Major medical 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.

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

Table 77. Non-health maintenance organizations: Types of limitations on hospital room and board coverage, full-time employees, medium and large private establishments, 1993

Type of coverage	All employees	Professional, technical, and related employees	Clerical and sales employees	Blue-collar and service employees
Number (in thousands) in non-HMO plans with hospital room and board coverage	18,179	4,709	4,268	9,202
	Percent			
Total in non-HMO plans with hospital room and board coverage	100	100	100	100
Covered in full	5	6	4	5
Subject to limits other than major medical	37	33	30	42
Separate deductible	12	13	13	10
Separate coinsurance	4	4	4	5
Limits on days	23	20	14	29
Per confinement	22	19	14	27
Per year	1	(¹)	1	2
Limit on dollars	3	2	3	5
Other	1	1	1	(¹)
Major medical limits only ²	58	61	66	53

¹ Less than 0.5 percent

² Major medical 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.

NOTE: Sum of individual items may be greater than the total because some participants were in plans with more than one type of limit. Where applicable, dash indicates no employees in this category.

Table 78. Hospital room and board coverage: Copayment provisions,¹ by type of plan, full-time employees, medium and large private establishments, 1993

Type of copayment provision	All employees			Professional, technical, and related employees			Clerical and sales employees			Blue-collar and service employees		
	HMO plans ²	Non-HMO plans		HMO plans ²	Non-HMO plans		HMO plans ²	Non-HMO plans		HMO plans ²	Non-HMO plans	
		Fee-for-service plans ³	Preferred provider organization ³		Fee-for-service plans ³	Preferred provider organization ³		Fee-for-service plans ³	Preferred provider organization ³		Fee-for-service plans ³	Preferred provider organization ³
Number (in thousands) with separate copayment	672	1,378	724	183	360	258	196	287	264	293	732	202
	Percent											
Total with separate copayment	100	100	100	100	100	100	100	100	100	100	100	100
Per confinement	75	64	84	91	49	79	80	70	85	63	69	90
\$1 - \$50	(⁴)	1	10	(⁴)	1	13	1	2	6	-	1	10
\$51 - \$99	-	-	13	-	-	8	-	-	19	-	-	12
\$100	27	37	18	36	19	15	19	25	18	25	50	23
\$101 - \$199	1	3	5	5	2	8	(⁴)	4	1	1	3	7
\$200	15	14	10	10	15	11	14	32	16	18	6	1
\$201 - \$299	16	8	17	15	9	15	25	6	13	10	8	25
\$300	6	-	8	21	-	7	3	-	7	0	-	10
\$301 - \$499	(⁴)	(⁴)	-	1	(⁴)	-	1	(⁴)	-	0	0	-
\$500	9	2	3	3	3	3	15	2	5	9	2	(⁴)
Greater than \$500	1	(⁴)	-	-	(⁴)	-	2	(⁴)	-	-	(⁴)	-
Limited to maximum dollar copayment amount per year ⁵	10	1	12	13	1	10	11	1	13	6	1	13
Copayment per year	5	9	2	4	11	3	7	11	1	5	8	2
Copayment per day	21	1	23	7	2	22	17	1	17	34	1	31
Copayment limited to a specified number of days	-	25	1	-	37	1	-	18	2	-	22	-

¹ A copayment is the amount of covered expenses that an individual must pay before any charges are paid by the medical care plan.

² 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.

³ 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.

³ These plans pay for specific medical procedures as expenses are incurred.

⁴ Less than 0.5 percent.

⁵ These are plans where a limit is placed on the maximum copayment an individual is responsible for during the year. For example, an individual is subject to a copayment of \$100 per confinement with a limit of \$300 per year.

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

Table 79. Non-health maintenance organizations: Extent of coverage for extended care facilities, full-time employees, medium and large private establishments, 1993

Extent of coverage	All employees	Professional, technical, and related employees	Clerical and sales employees	Blue-collar and service employees
Number (in thousands) in non-HMO plans with extended care benefits	14,733	3,868	3,642	7,223
	Percent			
Total in non-HMO plans with extended care benefits	100	100	100	100
First dollar coverage only ¹	13	13	11	14
First dollar coverage then major medical	65	63	65	67
Major medical only ²	21	24	24	19

¹ Includes plans in which all expenses were reimbursed for the full semiprivate room rate, for a specified dollar amount, or for a limited or unlimited number of days.

² Major medical 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.

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

Table 80. Non-health maintenance organizations: Types of limitations on extended care facilities, full-time employees, medium and large private establishments, 1993

Type of coverage	All employees	Professional, technical, and related employees	Clerical and sales employees	Blue-collar and service employees
Number (in thousands) in non-HMO plans with extended care benefits	14,733	3,868	3,642	7,223
	Percent			
Total in non-HMO plans with extended care benefits	100	100	100	100
Covered in full	2	2	2	2
Subject to limits other than major medical	77	74	75	79
Limit on days	72	70	70	75
Limit on dollars	5	5	4	6
Separate coinsurance	9	7	7	11
Limited to maximum percentage rate of prior hospital confinement	17	14	17	18
Other limits	1	2	1	(¹)
Major medical limits only ²	21	24	24	19

¹ Less than 0.5 percent.

² Major medical 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.

NOTE: Sum of individual items may be greater than the total because some participants were in plans with more than one type of limit. Where applicable, dash indicates no employees in this category.

Table 81. Non-health maintenance organizations: Limitations on days of extended care facility coverage, full-time employees, medium and large private establishments, 1993

Day limits	All employees	Professional, technical, and related employees	Clerical and sales employees	Blue-collar and service employees
Number (in thousands) in non-HMO plans with day limits on extended care	9,997	2,482	2,423	5,092
	Percent			
Total in non-HMO plans with day limits on extended care	100	100	100	100
First dollar coverage ¹ for a limited number of days per confinement	16	14	9	19
30 days	2	4	1	2
60 days	2	1	1	2
90 days	(²)	(²)	(²)	(²)
120 days	3	3	2	3
180 days	(²)	1	(²)	(²)
Other	8	5	5	12
Major medical coverage ³ for a limited number of days per confinement	45	44	48	44
30 days	2	1	1	3
60 days	17	16	20	16
90 days	3	4	3	3
120 days	12	13	14	10
180 days	1	1	(²)	1
Other	9	9	9	10
First dollar coverage ¹ for a limited number of days per year	5	6	5	4
100 days	1	(²)	1	1
120 days	1	1	2	1
Other	3	4	3	2
Major medical coverage ³ for a limited number of days per year	33	34	36	31
100 days	7	6	7	7
120 days	12	13	16	9
180 days	1	(²)	(²)	1
Other	14	15	13	14
First dollar coverage ¹ for a limited number of days per lifetime	1	1	1	1
Major medical coverage ³ for a limited number of days per lifetime	3	4	3	4

¹ Includes plans in which all expenses were reimbursed for the full semiprivate room rate, for a specified dollar amount, or for a limited or unlimited number of days.

² Less than 0.5 percent.

³ Major medical 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.

NOTE: Sum of individual items may be greater than the total because some participants were in plans with more than one type of day limit. Where applicable, dash indicates no employees in this category.

Table 82. Health maintenance organizations: Extent of coverage for extended care facilities, full-time employees, medium and large private establishments, 1993

Type of coverage	All employees	Professional, technical, and related employees	Clerical and sales employees	Blue-collar and service employees
Number (in thousands) in HMO plans with extended care benefits	4,632	1,589	1,343	1,701
	Percent			
Total in HMO plans with extended care benefits	100	100	100	100
Covered in full	26	23	26	28
Day limit	70	73	71	65
Per year	53	56	55	50
30 days	5	5	4	5
60 days	10	9	10	10
90 days	2	2	(¹)	3
100 days	29	31	34	23
Other	8	8	6	9
Per confinement	17	18	16	16
30 days	1	2	(¹)	(¹)
60 days	4	4	2	5
90 days	3	3	4	1
100 days	5	6	6	3
Other	4	3	4	6
Per lifetime	1	1	1	1
Other limits (only)	4	3	3	6

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 83. Non-health maintenance organizations: Extent of coverage for surgical services, full-time employees, medium and large private establishments, 1993

Type of surgery and extent of coverage	All employees	Professional, technical, and related employees	Clerical and sales employees	Blue-collar and service employees
Number (in thousands) in non-HMO plans with inpatient surgery	18,171	4,704	4,268	9,199
Number (in thousands) in non-HMO plans with outpatient surgery	18,171	4,704	4,268	9,199
	Percent			
Inpatient surgery				
Total in non-HMO plans with inpatient surgery	100	100	100	100
Covered in full	13	12	10	15
Subject to limits other than major medical	14	11	9	17
Dollar limit	9	7	5	13
Separate coinsurance	4	4	3	4
Separate deductible	(¹)	(¹)	(¹)	(¹)
Other limit	(¹)	(¹)	(¹)	(¹)
Major medical limits only ²	73	76	81	68
Outpatient surgery³				
Total in non-HMO plans with outpatient surgery	100	100	100	100
Covered in full	16	17	14	17
Subject to limits other than major medical	13	9	9	16
Dollar limit	9	6	5	13
Separate coinsurance	3	3	3	3
Separate deductible	1	(¹)	(¹)	1
Other limit	(¹)	(¹)	(¹)	(¹)
Major medical limits only ²	71	74	78	67

¹ Less than 0.5 percent.

² Major medical 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 Charges incurred in the outpatient department of a hospital and outside of the hospital.

NOTE: Sum of individual items may be greater than the total because some participants were in plans with more than one type of limit. Where applicable, dash indicates no employees in this category.

Table 84. Outpatient prescription drug benefits: Summary of coverage, full-time employees, medium and large private establishments, 1993

Provision	All employees	Professional, technical, and related employees	Clerical and sales employees	Blue-collar and service employees
Number of employees (in thousands) with outpatient prescription drug coverage	23,118	6,408	5,728	10,982
	Percent			
Total with outpatient prescription drug coverage	100	100	100	100
Coverage for brand name drugs	99	99	100	99
Higher reimbursement for generic drugs	25	25	27	25
Coverage for mail order drugs ¹	25	24	26	25
Higher reimbursement for prescriptions filled at selected pharmacies	18	19	17	18

¹ Programs that provide drugs for maintenance purposes, that is, drugs required on a continuous basis.

NOTE: Sum of individual items may be greater than the total because some participants were in plans with more than one type of coverage. Where applicable, dash indicates no employees in this category.

Table 85. Outpatient prescription drug benefits: Brand name drug provisions in non-health maintenance organization plans, full-time employees, medium and large private establishments, 1993

Type of coverage	All employees	Professional, technical, and related employees	Clerical and sales employees	Blue-collar and service employees
Number of employees (in thousands) in non-HMO plans with outpatient brand name prescription drug coverage	17,792	4,637	4,224	8,930
	Percent			
Total in non-HMO plans with outpatient brand name prescription drug coverage	100	100	100	100
Covered in full	1	1	(¹)	1
Subject to the major medical limits of plan	70	73	70	68
Subject to copayment per prescription	27	27	29	27
Less than \$2.00	1	1	1	2
\$2.00	1	1	1	1
\$2.01-\$2.99	(¹)	-	(¹)	1
\$3.00	4	3	2	6
\$3.01-\$3.99	(¹)	(¹)	(¹)	(¹)
\$4.00	1	1	1	1
\$4.01-\$4.99	(¹)	(¹)	-	(¹)
\$5.00	8	8	9	7
\$5.01-\$6.99	2	2	2	2
\$7.00	1	(¹)	1	2
\$7.01-\$9.99	2	2	4	2
\$10.00	4	5	5	3
Greater than \$10.00	1	1	2	1
Unspecified copayment	1	1	1	1
Subject to a separate yearly deductible	4	4	5	3
Subject to a separate coinsurance rate	10	12	11	9
Subject to a separate yearly maximum	1	1	1	1
Other	5	3	5	7

¹ Less than 0.5 percent.

NOTE: Sum of individual items may be greater than the total because some participants were in plans with more than one type of coverage. Where applicable, dash indicates no employees in this category.

Table 86. Outpatient prescription drug benefits: Brand name drug provisions in health maintenance organization plans, full-time employees, medium and large private establishments, 1993

Type of coverage	All employees	Professional, technical, and related employees	Clerical and sales employees	Blue-collar and service employees
Number of employees (in thousands) in HMO plans with outpatient brand name drug coverage	4,945	1,688	1,438	1,820
	Percent			
Total in HMO plans with outpatient brand name drug coverage	100	100	100	100
Covered in full	4	4	4	3
Subject to copayment per prescription	84	87	84	81
Less than \$2.00	2	1	1	2
\$2.00	3	3	3	4
\$2.01-\$2.99	1	1	1	1
\$3.00	14	16	13	12
\$3.01-\$3.99	1	(¹)	1	(¹)
\$4.00	4	3	2	5
\$4.01-\$4.99	(¹)	(¹)	(¹)	(¹)
\$5.00	35	37	36	33
\$5.01-\$6.99	3	2	1	5
\$7.00	5	4	6	5
\$7.01-\$9.99	5	4	8	4
\$10.00	8	10	8	6
Greater than \$10.00	(¹)	(¹)	(¹)	(¹)
Unspecified copayment	3	4	3	3
Subject to a separate yearly deductible	6	5	4	7
Subject to a separate yearly maximum	9	8	7	10
Other	13	10	12	17

¹ Less than 0.5 percent.

NOTE: Sum of individual items may be greater than the total because some participants were in plans with more than one type of coverage. Where applicable, dash indicates no employees in this category.

Table 87. Outpatient prescription drug benefits: Generic drug provisions in non-health maintenance organization plans, full-time employees, medium and large private establishments, 1993

Type of coverage	All employees	Professional, technical, and related employees	Clerical and sales employees	Blue-collar and service employees
Number of employees (in thousands) in non-HMO plans with outpatient generic drug coverage	4,374	1,059	1,137	2,178
	Percent			
Total in non-HMO plans with outpatient generic drug coverage	100	100	100	100
Covered in full	6	6	5	7
Subject to the major medical limits of plan	42	38	43	43
Subject to copayment per prescription	60	62	64	56
Less than \$2.00	2	3	1	1
\$2.00	10	12	6	11
\$2.01-\$2.99	4	5	3	4
\$3.00	11	12	15	9
\$4.00	6	3	8	6
\$5.00	19	20	24	16
\$5.01-\$6.99	3	2	4	2
\$7.00	3	2	1	5
Greater than \$7.00	2	3	2	1
Unspecified copayment	(¹)	(¹)	(¹)	(¹)
Subject to a separate yearly deductible	2	2	2	1
Subject to a separate coinsurance rate	12	12	9	13
Subject to a separate yearly maximum	2	2	1	2

¹ Less than 0.5 percent.

NOTE: Sum of individual items may be greater than the total because some participants were in plans with more than one type of coverage. Where applicable, dash indicates no employees in this category.

Table 88. Outpatient prescription drug benefits: Mail order drug¹ provisions, full-time employees, medium and large private establishments, 1993

Item	All employees	Professional, technical, and related employees	Clerical and sales employees	Blue-collar and service employees
Number of employees (in thousands) with outpatient mail order drug coverage	5,798	1,568	1,487	2,743
	Percent			
Total with outpatient mail order drug coverage	100	100	100	100
Treated the same as brand name	17	19	21	15
Treated differently than brand name	83	81	79	85
Covered in full	12	11	12	12
Copayment per prescription	66	65	64	68
Less than \$2.00	2	1	5	2
\$2.00	11	6	4	17
\$3.00	2	2	2	2
\$4.00	3	2	2	4
\$5.00	15	14	16	16
\$5.01-\$6.99	3	5	2	3
\$7.00	1	(²)	1	1
Greater than \$7.00	26	31	30	21
Unspecified copayment	3	4	2	2
Coinsurance per prescription	1	3	1	1
Other	3	2	2	5

¹ Programs that provide drugs for maintenance purposes, that is, drugs required on a continuous basis.

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 89. Mental health care benefits: Relationship to other coverage,¹ full-time employees, medium and large private establishments, 1993

Type of coverage	All employees	Professional, technical, and related employees	Clerical and sales employees	Blue-collar and service employees
	Percent			
Inpatient²				
Total covered	100	100	100	100
Covered the same	14	16	12	13
Covered differently	86	84	88	87
Outpatient³				
Total covered	100	100	100	100
Covered the same	3	4	3	3
Covered differently	97	96	97	97

¹ Relationship to other coverage is a comparison to similar non-mental health treatment. For example, if inpatient mental health care is limited to 30 days per year, but inpatient care for any other type of illness is not limited in terms of days, the plan contains mental health provisions that are covered differently.

² Excludes doctor's charges in the hospital.

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, the location offering the most beneficial coverage was tabulated.

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

Table 90. Mental health care benefits: Limits on coverage, full-time employees, medium and large private establishments, 1993

Coverage limitation	All employees	Professional, technical, and related employees	Clerical and sales employees	Blue-collar and service employees
Inpatient¹				
Total	100	100	100	100
No limits	16	17	14	16
Subject to separate limits ²	84	83	86	84
Days	55	57	55	54
Dollars	47	40	49	49
Coinsurance	15	14	17	13
Copayment	4	5	5	3
Outpatient³				
Total	100	100	100	100
No limits	4	6	4	4
Subject to separate limits ²	96	94	96	96
Days	43	44	45	41
Dollars	66	60	65	69
Coinsurance	53	49	50	57
Copayment	18	21	23	15

¹ Excludes doctor's charges in the hospital

² 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.

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.

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

Table 91. Mental health care benefits: Limits on coverage in health maintenance organizations, full-time employees, medium and large private establishments, 1993

Coverage limitation	All employees	Professional, technical, and related employees	Clerical and sales employees	Blue-collar and service employees
Inpatient¹				
Total	100	100	100	100
No limits	7	7	9	4
Subject to separate limits ²	93	93	91	96
Days	88	87	87	90
Dollars	8	7	5	10
Coinsurance	16	13	15	20
Copayment	12	13	11	12
Outpatient³				
Total	100	100	100	100
No limits	3	3	3	3
Subject to separate limits ²	97	97	97	97
Days	86	86	82	88
Dollars	12	11	14	11
Coinsurance	17	20	13	18
Copayment	65	58	71	66

¹ Excludes doctor's charges in the hospital

² 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.

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.

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

Table 92. Mental health care benefits: Limits on coverage in non-health maintenance organizations, full-time employees, medium and large private establishments, 1993

Coverage limitation	All employees	Professional, technical, and related employees	Clerical and sales employees	Blue-collar and service employees
Inpatient¹				
Total	100	100	100	100
No limits	18	21	15	18
Subject to separate limits ²	82	79	85	82
Days	46	45	45	47
Dollars	57	53	64	57
Coinsurance	14	15	18	12
Copayment	2	2	3	2
Outpatient³				
Total	100	100	100	100
No limits	5	7	4	4
Subject to separate limits ²	95	93	96	96
Days	30	27	31	30
Dollars	82	79	84	82
Coinsurance	64	60	63	66
Copayment	4	6	6	3

¹ Excludes doctor's charges in the hospital

² 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.

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.

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

Table 93. Substance abuse treatment benefits: Relationship to other coverage,¹ full-time employees, medium and large private establishments, 1993

Type of coverage	All employees	Professional, technical, and related employees	Clerical and sales employees	Blue-collar and service employees
Percent				
Alcohol abuse				
Total with inpatient detoxification ²	100	100	100	100
Covered the same	29	33	32	25
Covered differently	71	67	68	75
Total with inpatient rehabilitation ³	100	100	100	100
Covered the same	9	12	12	7
Covered differently	91	88	88	93
Total with outpatient rehabilitation ⁴	100	100	100	100
Covered the same	10	13	11	8
Covered differently	90	87	89	92
Drug abuse				
Total with inpatient detoxification ²	100	100	100	100
Covered the same	30	33	33	26
Covered differently	70	67	67	74
Total with inpatient rehabilitation ³	100	100	100	100
Covered the same	9	11	12	7
Covered differently	91	89	88	93
Total with outpatient rehabilitation ⁴	100	100	100	100
Covered the same	10	12	11	7
Covered differently	90	88	89	93

¹ Relationship to other coverage is a comparison to similar non-substance abuse treatment. For example, if alcohol rehabilitation is limited to 30 days per year, but inpatient care for any other type of illness is not limited in terms of days, the plan contains inpatient alcohol rehabilitation provisions that are covered differently.

² Detoxification is the systematic use of medication and other methods under medical supervision to reduce or eliminate the effects of substance abuse.

³ Rehabilitation is designed to alter the abusive behavior in patients once they are free of acute physical and mental complications.

⁴ 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, the location offering the most beneficial coverage was tabulated.

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

Table 94. Alcohol abuse treatment benefits: Limits on coverage, full-time employees, medium and large private establishments, 1993

Coverage limitation	All employees	Professional, technical, and related employees	Clerical and sales employees	Blue-collar and service employees
Inpatient detoxification¹				
Total	100	100	100	100
No limits	30	34	34	26
Subject to separate limits ²	70	66	66	74
Days	50	47	47	53
Dollars	36	32	38	38
Coinsurance	12	11	14	12
Copayment	3	4	3	3
Inpatient rehabilitation³				
Total	100	100	100	100
No limits	10	13	13	8
Subject to separate limits ²	90	87	87	92
Days	66	63	63	68
Dollars	46	42	48	47
Coinsurance	16	15	17	16
Copayment	5	6	5	4
Outpatient rehabilitation⁴				
Total	100	100	100	100
No limits	11	15	13	9
Subject to separate limits ²	89	85	87	91
Days	47	46	46	48
Dollars	55	51	54	57
Coinsurance	37	32	36	40
Copayment	9	9	11	8

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

² 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, the 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.

³ Rehabilitation is designed to alter the abusive behavior in patients once they are free of acute physical and mental complications.

⁴ 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, the location offering the most beneficial coverage was tabulated.

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

Table 95. Drug abuse treatment benefits: Limits on coverage, full-time employees, medium and large private establishments, 1993

Coverage limitation	All employees	Professional, technical, and related employees	Clerical and sales employees	Blue-collar and service employees
Inpatient detoxification¹				
Total	100	100	100	100
No limits	31	35	35	28
Subject to separate limits ²	69	65	65	72
Days	48	46	46	51
Dollars	36	32	37	38
Coinsurance	12	11	14	13
Copayment	3	4	3	3
Inpatient rehabilitation³				
Total	100	100	100	100
No limits	10	12	13	8
Subject to separate limits ²	90	88	87	92
Days	65	63	64	67
Dollars	47	42	49	48
Coinsurance	16	16	18	16
Copayment	5	6	5	4
Outpatient rehabilitation⁴				
Total	100	100	100	100
No limits	11	14	12	9
Subject to separate limits ²	89	86	88	91
Days	46	46	47	46
Dollars	55	52	54	58
Coinsurance	38	33	36	41
Copayment	9	9	11	9

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

² 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, the 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.

³ Rehabilitation is designed to alter the abusive behavior in patients once they are free of acute physical and mental complications.

⁴ 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, the location offering the most beneficial coverage was tabulated.

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

Table 96. Alcohol abuse treatment benefits: Limits on coverage in health maintenance organizations, full-time employees, medium and large private establishments, 1993

Coverage limitation	All employees	Professional, technical, and related employees	Clerical and sales employees	Blue-collar and service employees
Inpatient detoxification¹				
Total	100	100	100	100
No limits	52	54	57	47
Subject to separate limits ²	48	46	43	53
Days	39	39	36	41
Dollars	7	8	5	6
Coinsurance	10	6	8	17
Copayment	7	8	5	8
Inpatient rehabilitation³				
Total	100	100	100	100
No limits	13	12	15	13
Subject to separate limits ²	87	88	85	87
Days	78	77	77	79
Dollars	14	18	11	14
Coinsurance	20	14	15	29
Copayment	14	16	14	13
Outpatient rehabilitation⁴				
Total	100	100	100	100
No limits	21	22	21	21
Subject to separate limits ²	79	78	79	79
Days	65	65	64	66
Dollars	14	16	11	14
Coinsurance	16	15	10	22
Copayment	29	21	30	36

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

² 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, the 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.

³ Rehabilitation is designed to alter the abusive behavior in patients once they are free of acute physical and mental complications.

⁴ 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, the location offering the most beneficial coverage was tabulated.

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

Table 97. Drug abuse treatment benefits: Limits on coverage in health maintenance organizations, full-time employees, medium and large private establishments, 1993

Coverage limitation	All employees	Professional, technical, and related employees	Clerical and sales employees	Blue-collar and service employees
Inpatient detoxification¹				
Total	100	100	100	100
No limits	53	56	60	45
Subject to separate limits ²	47	44	40	55
Days	37	36	33	41
Dollars	7	8	6	7
Coinsurance	11	6	8	18
Copayment	7	8	5	7
Inpatient rehabilitation³				
Total	100	100	100	100
No limits	13	13	15	12
Subject to separate limits ²	87	87	85	88
Days	78	76	76	81
Dollars	15	18	11	15
Coinsurance	21	14	16	30
Copayment	14	16	13	13
Outpatient rehabilitation⁴				
Total	100	100	100	100
No limits	21	22	21	19
Subject to separate limits ²	79	78	79	81
Days	67	66	66	68
Dollars	14	16	11	15
Coinsurance	17	16	12	23
Copayment	29	21	30	37

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

² 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, the 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.

³ Rehabilitation is designed to alter the abusive behavior in patients once they are free of acute physical and mental complications.

⁴ 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, the location offering the most beneficial coverage was tabulated.

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

Table 98. Alcohol abuse treatment benefits: Limits on coverage in non-health maintenance organizations, full-time employees, medium and large private establishments, 1993

Coverage limitation	All employees	Professional, technical, and related employees	Clerical and sales employees	Blue-collar and service employees
Inpatient detoxification¹				
Total	100	100	100	100
No limits	24	27	25	22
Subject to separate limits ²	76	73	75	78
Days	53	50	50	56
Dollars	45	41	50	45
Coinsurance	13	13	16	12
Copayment	2	2	2	2
Inpatient rehabilitation³				
Total	100	100	100	100
No limits	10	13	13	7
Subject to separate limits ²	90	87	87	93
Days	63	59	60	66
Dollars	52	48	57	52
Coinsurance	15	16	18	14
Copayment	3	3	3	2
Outpatient rehabilitation⁴				
Total	100	100	100	100
No limits	9	12	10	6
Subject to separate limits ²	91	88	90	94
Days	42	39	40	44
Dollars	66	64	68	65
Coinsurance	42	39	44	43
Copayment	4	5	4	3

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

² 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, the 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.

³ Rehabilitation is designed to alter the abusive behavior in patients once they are free of acute physical and mental complications.

⁴ 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, the location offering the most beneficial coverage was tabulated.

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

Table 99. Drug abuse treatment benefits: Limits on coverage in non-health maintenance organizations, full-time employees, medium and large private establishments, 1993

Coverage limitation	All employees	Professional, technical, and related employees	Clerical and sales employees	Blue-collar and service employees
Inpatient detoxification¹				
Total	100	100	100	100
No limits	25	27	25	24
Subject to separate limits ²	75	73	75	76
Days	52	50	51	53
Dollars	45	41	49	45
Coinsurance	13	13	16	11
Copayment	2	2	2	2
Inpatient rehabilitation³				
Total	100	100	100	100
No limits	9	12	12	7
Subject to separate limits ²	91	88	88	93
Days	63	59	61	65
Dollars	54	50	58	54
Coinsurance	16	16	18	14
Copayment	3	3	3	2
Outpatient rehabilitation⁴				
Total	100	100	100	100
No limits	8	11	9	6
Subject to separate limits ²	92	89	91	94
Days	40	39	41	41
Dollars	67	65	69	67
Coinsurance	43	39	44	45
Copayment	4	5	4	3

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

² 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, the 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.

³ Rehabilitation is designed to alter the abusive behavior in patients once they are free of acute physical and mental complications.

⁴ 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, the location offering the most beneficial coverage was tabulated.

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

Table 100. Medical care benefits¹: Eligibility requirements, full-time employees, medium and large private establishments, 1993

Eligibility requirement	All employees	Professional, technical, and related employees	Clerical and sales employees	Blue-collar and service employees
Number (in thousands) with medical care	23,519	6,529	5,819	11,172
	Percent			
Total with medical care	100	100	100	100
With a service requirement ...	44	35	43	49
1 month	13	13	12	13
2 months	5	3	3	7
3 months	17	14	21	16
4-5 months	1	(²)	1	2
6 months	7	4	6	8
7-11 months	2	1	(²)	3
12 months	(²)	(²)	(²)	(²)
Greater than 12 months	(²)	(²)	-	(²)
Without a service requirement	32	39	32	28
Closed to new employees	(²)	(²)	(²)	-
Not determinable ³	24	26	25	23

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 Less than 0.5 percent.

³ Plans where service requirements were unknown, usually because plan documents (typically prepared by health care provider) did not specify the employer's eligibility provision.

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

Table 101. Non-health maintenance organizations: Pre-existing condition provisions,¹ full-time employees, medium and large private establishments, 1993

Item	All employees	Professional, technical, and related employees	Clerical and sales employees	Blue-collar and service employees
Number (in thousands) in non-HMO plans	18,179	4,709	4,268	9,202
	Percent			
Total with non-HMO plans	100	100	100	100
Pre-existing condition clause	57	54	62	55
No pre-existing condition clause	43	46	38	45

¹ A pre-existing condition is any ailment present at the time the participant enrolls in the plan. Plans will typically deny or limit coverage of such conditions for a specific time period following enrollment.

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

Table 102. Medical care benefits: Effect of retirement on coverage,¹ full-time employees, medium and large private establishments, 1993

Retiree coverage	All employees	Professional, technical, and related employees	Clerical and sales employees	Blue-collar and service employees
Number (in thousands) with medical care	23,519	6,529	5,819	11,172
	Percent			
Total with medical care	100	100	100	100
With retiree coverage	52	59	55	46
Without retiree coverage	42	37	41	44
Not determinable	7	4	4	9

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.

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

Table 103. Retiree medical care benefits: Source of plan funding,¹ full-time employees, medium and large private establishments, 1993

Item	All employees		Professional, technical, and related employees		Clerical and sales employees		Blue-collar and service employees	
	Under age 65	Age 65 or greater	Under age 65	Age 65 or greater	Under age 65	Age 65 or greater	Under age 65	Age 65 or greater
Number (in thousands) with medical care	23,519	23,519	6,529	6,529	5,818	5,819	11,172	11,172
	Percent							
Total with medical care	100	100	100	100	100	100	100	100
Retiree coverage provided ...	51	47	58	54	54	50	46	41
Employer paid	13	14	16	17	11	12	13	12
Jointly paid	27	23	30	26	31	27	23	19
Retiree paid	7	6	8	7	9	8	5	4
Cost unknown	4	4	4	4	3	3	5	4
No retiree coverage	42	47	38	41	42	46	45	50
Not determinable	7	7	4	4	4	4	9	9

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.

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

Table 104. Dental care benefits: Eligibility requirements, full-time employees, medium and large private establishments, 1993

Eligibility requirement	All employees	Professional, technical, and related employees	Clerical and sales employees	Blue-collar and service employees
Number (in thousands) with dental care	17,704	5,233	4,620	7,851
	Percent			
Total with dental care	100	100	100	100
With a service requirement ...	52	41	51	60
1 month	11	11	12	10
2 months	4	3	2	6
3 months	18	14	20	19
4-5 months	1	1	(¹)	1
6 months	9	7	9	9
7-11 months	2	1	(¹)	5
12 months	6	5	6	8
Greater than 12 months	1	(¹)	(¹)	2
Without a service requirement	29	38	29	24
Closed to new employees	(¹)	(¹)	(¹)	(¹)
Not determinable ²	18	20	20	16

¹ Less than 0.5 percent.

² Plans where service requirements were unknown, usually because plan documents (typically prepared by dental care provider) did not specify the employer's eligibility provision.

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

Table 105. Stand-alone dental plans¹: Amount and type of employee contribution for individual coverage, full-time employees, medium and large private establishments, 1993

Type and amount of contribution	All employees	Professional, technical, and related employees	Clerical and sales employees	Blue-collar and service employees
Number (in thousands) in stand-alone plans with contributory coverage	6,431	2,498	1,928	2,005
	Percent			
Total in stand-alone plans with contributory coverage	100	100	100	100
Flat monthly amount	49	41	53	55
Less than \$5.00	28	22	31	31
\$5.00 - \$9.99	16	13	16	19
\$10.00 - \$14.99	4	3	3	4
\$15.00 - \$19.99	1	(²)	2	1
\$20.00 - \$24.99	(²)	1	(²)	(²)
\$25.00 or greater	1	1	1	(²)
Composite rate ³	2	1	1	3
Amount varies by employee ⁴	37	46	34	30
Amount varies by earnings ...	(²)	(²)	(²)	(²)
Not determinable	11	11	11	11
Other	1	1	1	1
	Average ⁵			
Average flat monthly contribution	\$5.90	\$6.22	\$6.12	\$5.41

¹ These are plans that are offered separately from medical plans.

² Less than 0.5 percent.

³ A composite rate is a set contribution covering more than one benefit area, for example, dental care and sickness and accident insurance. Cost data for individual plans cannot be determined.

⁴ Amount varies by options selected under a "cafeteria plan" or employer-sponsored reimbursement account.

⁵ The average is presented for all covered workers; averages exclude workers without the plan provision.

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

Table 106. Stand-alone dental care plans¹: Amount and type of employee contribution for family coverage, full-time employees, medium and large private establishments, 1993

Type and amount of contribution ²	All employees	Professional, technical, and related employees	Clerical and sales employees	Blue-collar and service employees
Number (in thousands) in stand-alone plans with contributory coverage	7,501	2,910	2,143	2,448
	Percent			
Total in stand-alone plans with contributory coverage	100	100	100	100
Flat monthly amount	54	47	57	61
Less than \$5.00	2	1	2	4
\$5.00 - \$9.99	10	8	9	12
\$10.00 - \$14.99	21	17	24	23
\$15.00 - \$19.99	6	4	6	8
\$20.00 - \$24.99	6	5	6	7
\$25.00 or greater	9	11	10	7
Composite rate ³	1	1	1	2
Amount varies by employee ⁴	33	41	31	24
Amount varies by earnings ...	(⁵)	(⁵)	(⁵)	-
Not determinable	(⁵)	(⁵)	(⁵)	(⁵)
Other	11	11	11	12
	Average ⁶			
Average flat monthly contribution	\$17.23	\$18.02	\$18.31	\$15.64

¹ These are plans that are offered separately from medical plans.

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 A composite rate is a set contribution covering more than one benefit area, for example, dental care and sickness and accident insurance. Cost data for individual plans cannot be determined.

⁴ Amount varies by options selected under a "cafeteria plan" or employer-sponsored reimbursement account.

⁵ Less than 0.5 percent.

⁶ The average is presented for all covered workers; averages exclude workers without the plan provision.

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

Table 107. Dental care benefits: Fee arrangement and financial intermediary, full-time employees, medium and large private establishments, 1993

Fee arrangement and financial intermediary	All employees	Professional, technical, and related employees	Clerical and sales employees	Blue-collar and service employees
Number (in thousands) with dental care	17,704	5,233	4,620	7,851
	Percent .			
Total with dental care	100	100	100	100
Traditional fee-for-service ¹ ..	87	87	85	88
Self insured ²	52	53	50	53
Commercial insurance company	20	17	19	22
Blue Cross/Blue Shield	5	6	5	5
Independent organization ³	1	2	1	(⁴)
Combined financed ⁵	(⁴)	(⁴)	(⁴)	-
Dental society ⁶	9	10	10	7
Preferred provider organization ⁷	6	5	7	6
Self insured ²	2	2	4	2
Commercial insurance company	2	1	2	2
Blue Cross/Blue Shield	1	(⁴)	(⁴)	1
Independent organization ³	(⁴)	(⁴)	(⁴)	-
Dental society ⁶	1	1	1	1

¹ These plans pay for specific dental procedures as expenses are incurred.

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 These organizations provide and finance all benefits, but are not affiliated with an insurance company or Blue Cross/Blue Shield.

Table 107. Dental care benefits: Fee arrangement and financial intermediary, full-time employees, medium and large private establishments, 1993 — Continued

Fee arrangement and financial intermediary	All employees	Professional, technical, and related employees	Clerical and sales employees	Blue-collar and service employees
	Percent			
Health maintenance organization ⁸	7	7	8	5
Self insured ²	(⁴)	(⁴)	(⁴)	(⁴)
Commercial insurance company	2	3	2	1
Blue Cross/Blue Shield	(⁴)	(⁴)	(⁴)	(⁴)
Independent organization ³	4	3	3	4
Combined financed ⁵	(⁴)	-	-	(⁴)
Dental society ⁶	1	1	2	(⁴)
Other ⁹	(⁴)	(⁴)	(⁴)	(⁴)

⁴ Less than 0.5 percent.

⁵ These are plans where the financing comes from two different kinds of financial intermediaries. For example, an establishment contracts with Blue Cross/Blue Shield to pay part of the benefits and a commercial company to pay the other benefits.

⁶ Organizations of providers other than Blue Cross/Blue Shield.

⁷ A preferred provider organization (PPO) is a group of hospitals and dentists that contracts to provide comprehensive dental services. To encourage use of organization members, the dental care plan limits reimbursement rates when participants use nonmember services.

⁸ 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.

⁹ Includes exclusive provider organizations, which are groups of hospitals and dentists that contract to provide comprehensive dental 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 108. Dental care benefits: Coverage for selected procedures, full-time employees, medium and large private establishments, 1993

Extent of coverage	Type of dental procedure								
	Exams	X-rays	Surgery ¹	Fillings	Periodontal care	Endodontics	Crowns	Prosthetics	Orthodontia ²
Number (in thousands) with dental care	17,704	17,704	17,704	17,704	17,704	17,704	17,704	17,704	17,704
Professional, technical, and related employees	5,233	5,233	5,233	5,233	5,233	5,233	5,233	5,233	5,233
Clerical and sales employees	4,620	4,620	4,620	4,620	4,620	4,620	4,620	4,620	4,620
Blue-collar and service employees	7,851	7,851	7,851	7,851	7,851	7,851	7,851	7,851	7,851
	Percent								
All employees									
Total with dental care	100	100	100	100	100	100	100	100	100
Covered	100	100	100	100	99	99	98	97	72
In full ³	10	11	4	8	4	4	2	2	(⁴)
Scheduled cash allowance	12	12	15	17	15	15	16	15	11
Subject to copayment ⁵	2	1	5	3	5	6	6	6	5
Percent of usual, customary and reasonable charge	73	73	72	70	71	71	72	72	54
Other ⁶	3	2	3	3	3	3	1	1	1
Not covered	-	-	(⁴)	-	1	1	2	3	28
Professional, technical, and related									
Total with dental care	100	100	100	100	100	100	100	100	100
Covered	100	100	100	100	99	100	98	97	72
In full ³	11	11	4	8	5	4	2	2	(⁴)
Scheduled cash allowance	11	11	15	16	15	15	16	16	12
Subject to copayment ⁵	2	1	5	3	5	5	5	5	4
Percent of usual, customary and reasonable charge	73	74	73	70	72	72	73	72	54
Other ⁶	3	3	3	3	3	3	1	1	1
Not covered	-	-	(⁴)	-	1	(⁴)	2	3	28

See footnotes at end of table.

Table 108. Dental care benefits: Coverage for selected procedures, full-time employees, medium and large private establishments, 1993 — Continued

Extent of coverage	Type of dental procedure								
	Exams	X-rays	Surgery ¹	Fillings	Periodontal care	Endodontics	Crowns	Prosthetics	Orthodontia ²
	Percent								
Clerical and sales									
Total with dental care	100	100	100	100	100	100	100	100	100
Covered	100	100	100	100	99	100	99	97	69
In full ³	10	11	4	7	4	4	1	1	(⁴)
Scheduled cash allowance	10	10	15	16	15	15	16	15	10
Subject to copayment ⁵	2	1	6	3	6	7	7	7	7
Percent of usual, customary and reasonable charge	76	76	73	72	72	73	73	73	50
Other ⁶	2	2	2	2	2	2	1	1	1
Not covered	-	-	(⁴)	-	1	(⁴)	1	3	31
Blue-collar and service									
Total with dental care	100	100	100	100	100	100	100	100	100
Covered	100	100	99	100	99	99	97	96	74
In full ³	10	11	4	8	4	4	2	2	(⁴)
Scheduled cash allowance	14	14	16	17	16	15	16	15	11
Subject to copayment ⁵	3	1	5	2	5	5	6	6	5
Percent of usual, customary and reasonable charge	70	71	71	69	70	70	72	72	56
Other ⁶	3	3	4	4	4	4	1	1	1
Not covered	-	-	1	-	1	1	3	4	26

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 Includes plans that paid the full cost with no deductible or maximum dollar amount.

⁴ Less than 0.5 percent.

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 provide care based on an incentive schedule or discounted benefit. An incentive schedule is a reimbursement arrangement in which the percentage of dental expenses paid by the plan increases if regular dental appointments are scheduled. Discounted benefits are available if obtained from an approved provider.

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

Table 109. Dental care benefits: Percent of charges paid by plan for selected procedures, full-time employees, medium and large private establishments, 1993

Percent of usual, customary, and reasonable charge	Type of dental procedure								
	Exams	X-rays	Surgery ¹	Fillings	Periodontal care	Endodontics	Crowns	Prosthetics	Orthodontia
Number of employees (in thousands) in dental plans with coverage based on a percentage of charges	12,837	12,947	12,762	12,456	12,627	12,641	12,833	12,786	9,543
Professional, technical, and related employees	3,822	3,853	3,820	3,687	3,778	3,775	3,809	3,774	2,832
Clerical and sales employees	3,508	3,525	3,393	3,341	3,346	3,368	3,377	3,365	2,310
Blue-collar and service employees	5,507	5,569	5,549	5,428	5,503	5,497	5,647	5,646	4,401
	Percent								
All employees									
Total with dental care based on a percentage of charges	100	100	100	100	100	100	100	100	100
Less than 50	-	-	(²)	(²)	(²)	(²)	(²)	(²)	(²)
50	1	1	11	9	13	13	66	77	84
51-59	-	-	-	-	(²)	(²)	(²)	(²)	-
60	(²)	(²)	1	1	2	1	7	7	7
61-74	1	1	2	2	3	3	2	2	1
75	1	2	7	7	7	7	3	2	1
80	18	20	60	63	59	59	13	10	5
85	(²)	2	3	4	4	4	1	(²)	(²)
90	2	5	8	7	7	7	4	(²)	1
100 ³	77	68	7	6	5	6	3	1	1
Professional, technical, and related									
Total with dental care based on a percentage of charges	100	100	100	100	100	100	100	100	100
Less than 50	-	-	(²)	(²)	(²)	(²)	1	1	1
50	1	1	14	13	16	16	69	77	87
51-59	-	-	-	-	1	1	1	1	-
60	(²)	(²)	2	1	2	2	9	9	8
61-74	1	1	3	3	3	3	2	2	(²)
75	1	3	5	5	5	5	3	2	(²)
80	16	19	59	63	59	58	10	8	4
85	(²)	1	3	3	3	3	1	(²)	(²)
90	3	4	6	5	5	5	2	(²)	(²)
100 ³	78	71	8	6	6	7	3	1	(²)

See footnotes at end of table.

Table 109. Dental care benefits: Percent of charges paid by plan for selected procedures, full-time employees, medium and large private establishments, 1993 — Continued

Percent of usual, customary, and reasonable charge	Type of dental procedure								
	Exams	X-rays	Surgery ¹	Fillings	Periodontal care	Endodontics	Crowns	Prosthetics	Orthodontia
	Percent								
Clerical and sales									
Total with dental care based on a percentage of charges	100	100	100	100	100	100	100	100	100
Less than 50	—	—	(²)	(²)	(²)	(²)	(²)	(²)	(²)
50	(²)	1	9	8	12	13	68	73	81
51-59	—	—	—	—	(²)	(²)	(²)	(²)	—
60	(²)	(²)	1	1	1	1	8	8	6
61-74	1	1	3	3	3	3	2	2	1
75	1	2	5	5	5	5	3	3	1
80	22	24	66	68	65	64	15	13	10
85	(²)	1	3	3	3	3	1	1	(²)
90	2	2	5	5	5	5	1	(²)	(²)
100 ³	73	69	7	7	6	6	2	1	(²)
Blue-collar and service									
Total with dental care based on a percentage of charges	100	100	100	100	100	100	100	100	100
Less than 50	—	—	(²)	(²)	(²)	(²)	(²)	(²)	1
50	1	2	10	7	12	11	63	79	84
51-59	—	—	—	—	(²)	(²)	(²)	(²)	—
60	(²)	(²)	1	1	1	1	5	5	6
61-74	1	1	2	2	2	2	3	2	1
75	1	2	10	10	10	10	2	2	2
80	16	19	56	60	55	56	14	9	4
85	(²)	2	3	5	5	5	2	(²)	(²)
90	2	9	10	9	9	9	7	(²)	1
100 ³	78	65	7	5	5	6	3	1	2

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

² Less than 0.5 percent.

³ Includes plans that paid 100 percent of charges, but imposed a

deductible and limited payment to a maximum dollar amount.

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

Table 110. Dental care benefits: Amount of individual deductible,¹ full-time employees, medium and large private establishments, 1993

Type of deductible	All employees	Professional, technical, and related employees	Clerical and sales employees	Blue-collar and service employees
Number (in thousands) with dental care	17,704	5,233	4,620	7,851
	Percent			
Total with dental care	100	100	100	100
Subject to separate dental deductible ²	64	65	70	59
Yearly deductible only	59	61	65	55
Under \$25	(³)	(³)	(³)	(³)
\$25	19	20	17	20
\$26-\$49	1	1	1	1
\$50	34	35	42	29
\$51-\$99	3	2	2	3
\$100	2	1	1	2
Over \$100	(³)	(³)	1	(³)
Lifetime deductible only	3	2	3	3
Less than \$50	(³)	(³)	(³)	1
\$50	2	2	3	2
Over \$50	(³)	(³)	(³)	(³)
Both yearly and lifetime deductibles	2	1	2	2
No deductible	36	35	29	40
Data not available	(³)	(³)	(³)	1
	Average ⁴			
Average employee yearly deductible	\$45	\$44	\$46	\$44
Average employee lifetime deductible	56	62	55	53

¹ Amount of deductible described is for each insured person. In some plans, the individual and family deductibles are identical. Excludes separate deductibles for orthodontic procedures.

² Deductibles may not apply to all covered dental procedures. If separate deductibles applied to different procedures, the sum of the deductible amounts was tabulated.

³ Less than 0.5 percent.

⁴ The average is presented for all covered workers; averages exclude workers without the plan provision.

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

Table 111. Dental care benefits: Services covered by deductible¹ provisions, full-time employees, medium and large private establishments, 1993

Categories of care	All employees	Professional, technical, and related employees	Clerical and sales employees	Blue-collar and service employees
Number of employees (in thousands) with a dental deductible	11,269	3,375	3,243	4,651
	Percent			
Total with a dental deductible	100	100	100	100
All categories ²	15	15	16	15
All except exams and x-rays	50	53	50	46
All except exams, x-rays, and orthodontia	22	20	21	23
All except orthodontia	4	3	3	6
All except exams and orthodontia	1	1	1	1
Other ³	9	7	9	9

¹ Includes plans with both a yearly deductible only, and a yearly and lifetime deductible.

² This applies to all categories of care covered by the plan. The categories of dental care are exams, x-rays, surgery, fillings, periodontal care, endodontics, crowns, prosthetics, and orthodontia.

³ Includes other category combinations.

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

Table 112. Dental care benefits: Maximum benefit provisions,¹ full-time employees, medium and large private establishments, 1993

Dollar amount ²	All employees	Professional, technical, and related employees	Clerical and sales employees	Blue-collar and service employees
Number (in thousands) with dental care	17,704	5,233	4,620	7,851
	Percent			
Total with dental care	100	100	100	100
Yearly maximum specified ³	83	82	84	83
Less than \$500	1	(⁴)	1	2
\$500	4	4	4	4
\$501-\$749	(⁴)	(⁴)	(⁴)	(⁴)
\$750	5	5	3	5
\$751-\$999	1	1	(⁴)	1
\$1,000	45	42	48	46
\$1,001-\$1,499	7	7	5	8
\$1,500	13	15	15	10
\$1,501-\$1,999	2	3	2	2
\$2,000	3	4	5	2
\$2,001-\$2,999	(⁴)	(⁴)	(⁴)	(⁴)
\$3,000	1	(⁴)	(⁴)	1
Greater than \$3,000	(⁴)	(⁴)	(⁴)	1
No yearly maximum	17	18	16	17
Maximum provision not determinable	(⁴)	(⁴)	(⁴)	(⁴)
	Average ⁵			
Average yearly maximum	\$1,135	\$1,143	\$1,148	\$1,123

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.

⁵ The average is presented for all covered workers; averages exclude workers without the plan provision.

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

Table 113. Orthodontic care benefits: Maximum benefit provisions, full-time employees, medium and large private establishments, 1993

Dollar amount ¹	All employees	Professional, technical, and related employees	Clerical and sales employees	Blue-collar and service employees
Number (in thousands) with orthodontic care	12,707	3,752	3,169	5,787
	Percent			
Total with orthodontic care	100	100	100	100
Lifetime maximum	86	88	84	86
Less than \$500	(²)	(²)	(²)	(²)
\$500	6	6	7	6
\$501-\$749	2	2	1	2
\$750	11	9	11	11
\$751-\$999	2	2	1	3
\$1,000	35	34	38	35
\$1,001-\$1,499	11	10	8	14
\$1,500	14	21	16	9
Greater than \$1,500	2	2	2	2
Dollar amount unspecified	2	2	1	2
No lifetime maximum	14	12	16	14
	Average ³			
Average lifetime maximum	\$1,072	\$1,105	\$1,056	\$1,059

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

² Less than 0.5 percent.

³ The average is presented for all covered workers; averages exclude workers without the plan provision.

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

Table 114. Dental care benefits: Pretreatment authorization provisions, full-time employees, medium and large private establishments, 1993

Item	All employees	Professional, technical, and related employees	Clerical and sales employees	Blue-collar and service employees
Number (in thousands) with dental care	17,704	5,233	4,620	7,851
	Percent			
Total with dental care	100	100	100	100
Preauthorization required	56	51	58	59
Minimum expense requiring preauthorization:				
Less than \$100	(¹)	—	—	(¹)
\$100	10	9	9	10
\$101-\$199	8	8	9	9
\$200	16	13	17	16
Greater than \$200	19	18	19	20
Dollar amount not determinable	3	3	3	3
Preauthorization not required ...	42	45	40	41
Data not available	2	4	2	(¹)
	Average ²			
Average minimum expense requiring preauthorization ...	\$213	\$211	\$213	\$214

¹ Less than 0.5 percent.

² The average is presented for all covered workers; averages exclude workers without the plan provision.

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

Table 115. Vision care benefits: Fee arrangement and financial intermediary, full-time employees, medium and large private establishments, 1993

Fee arrangement and financial intermediary	All employees	Professional, technical, and related employees	Clerical and sales employees	Blue-collar and service employees
Number (in thousands) with vision care	7,606	2,110	1,873	3,622
	Percent			
Total with vision care	100	100	100	100
Traditional fee-for-service ¹	72	65	75	75
Self insured ²	39	31	43	43
Commercial insurance company	6	7	4	7
Blue Cross/Blue Shield	3	4	3	3
Independent organization ³	(⁴)	(⁴)	(⁴)	(⁴)
Combined financed ⁵	(⁴)	(⁴)	(⁴)	-
Vision organization ⁶	23	24	25	22
Preferred provider organization ⁷	10	12	8	11
Self insured ²	4	7	3	3
Commercial insurance company	4	3	2	6
Blue Cross/Blue Shield	1	1	2	1
Independent organization ³	(⁴)	(⁴)	(⁴)	(⁴)
Vision organization ⁶	1	1	1	1

¹ These plans pay for specific vision procedures as expenses are incurred.

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 These organizations provide and finance all benefits, but are not affiliated with an insurance company or Blue Cross/Blue Shield.

Table 115. Vision care benefits: Fee arrangement and financial intermediary, full-time employees, medium and large private establishments, 1993 — Continued

Fee arrangement and financial intermediary	All employees	Professional, technical, and related employees	Clerical and sales employees	Blue-collar and service employees
	Percent			
Health maintenance organization ⁸	17	22	16	14
Self insured ²	(⁴)	1	(⁴)	(⁴)
Commercial insurance company	1	1	1	1
Blue Cross/Blue Shield	2	2	3	2
Independent organization ³	13	18	12	10
Vision organization ⁶	(⁴)	1	(⁴)	(⁴)
Other ⁹	(⁴)	1	-	(⁴)

⁴ Less than 0.5 percent.

⁵ These are plans where the financing comes from two different kinds of financial intermediaries. For example, an establishment contracts with Blue Cross/Blue Shield to pay part of the benefits and a commercial company to pay the other benefits.

⁶ Organizations of providers other than Blue Cross/Blue Shield.

⁷ A preferred provider organization (PPO) is a group of hospitals and physicians that contracts to provide comprehensive vision services. To encourage use of organization members, the vision care plan limits reimbursement rates when participants use nonmember services.

⁸ 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.

⁹ Includes exclusive provider organizations, which are groups of hospitals and physicians that contract to provide comprehensive vision 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 116. Vision care benefits: Coverage for selected services, full-time employees, medium and large private establishments, 1993

Type of vision benefit	Total	Covered ¹	Covered in full	Sched-uled allowance	Copay-ment	Other ²	Not covered
	Percent						
All employees							
Eye exam	100	94	20	37	32	10	6
Eyeglasses	100	100	15	48	25	18	-
Contact lenses ³	100	91	3	68	18	16	9
Professional, technical, and related							
Eye exam	100	92	22	33	34	10	8
Eyeglasses	100	100	14	45	27	21	-
Contact lenses ³	100	91	1	65	19	19	9
Clerical and sales							
Eye exam	100	94	15	40	31	13	6
Eyeglasses	100	100	12	49	24	22	-
Contact lenses ³	100	91	3	62	15	21	9
Blue-collar and service							
Eye exam	100	96	22	39	31	8	4
Eyeglasses	100	100	16	50	25	13	-
Contact lenses ³	100	91	3	72	18	12	9

¹ The total is less than the sum of individual items because many participants are in plans with more than one type of limitation.

² Includes plans subject to coinsurance and retail discount.

³ Includes plans where coverage is for elected contact lenses; medically necessary contact lenses, i.e., cataract

surgery, is normally provided under the surgical portion of the medical plan and is not described in this table.

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 is provided to nearly all full-time employees in medium and large private establishments (tables 117-135). Most workers with life insurance are covered by formulas based on earnings, such as multiple-of-earnings formulas, which commonly provide basic insurance of one or two times annual salary. Flat dollar amounts, often \$5,000 to \$15,000, cover many of the remaining life insurance plan participants.

Employers generally pay the entire cost of basic life insurance. When employee contributions are required, it is frequently because life insurance benefits are being offered as part of a cafeteria plan or reimbursement account. (For definitions, see chapter 8.) 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 form of employee contribution is a specified flat dollar amount per \$1,000 of coverage, such as 20 cents per \$1,000 of coverage per month.

Types and amounts of benefit formulas

Basic coverage for full-time life insurance participants is often linked to their earnings. This link enables the level of protection to increase automatically with a rise in pay. The most common method of tying life insurance protection to earnings is 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). Participants covered by these plans may have a limit placed on the amount of coverage available. Such maximums usually range between \$50,000 and \$500,000.

A flat dollar amount of insurance, regardless of earnings, is the other prevalent means of providing life insurance protection. Insurance amounts ranging from \$5,000 to \$15,000 are quite common in such plans. Production and service workers are much more likely to receive this type of benefit than professional, technical, and related workers or clerical and sales workers. However, when provided, the flat-dollar amount of life

insurance coverage is usually highest for the professional, technical, and related workers.

Although it usually provides smaller amounts of insurance than earnings-based formulas, flat-amount coverage has improved considerably over the years. For example, participation in flat-dollar plans providing life insurance of \$20,000 or more has increased tenfold since the survey was first conducted in 1979.

Other methods of providing life insurance protection cover a small percent of participants. These include: flat dollar amounts that increase as service increases; flat dollar amounts that increase as wages increase; and multiple-of-earnings formulas that increase the multiple at higher salary levels.

Coverage for older active workers and retirees

Many plans reduce benefits for older active workers. Coverage is reduced to minimize the increased cost of insuring older workers.²¹ Plans that reduce coverage commonly make their first reduction at age 65 or 70. Rarely do reductions occur before age 65.

Many plans reduce coverage for older workers only once, typically to 50 percent of the original life insurance amount. Other plans reduce coverage in several stages, such as a reduction to 65 percent of original coverage at age 65, then to 50 percent at age 70.

Basic life insurance coverage often continues after retirement for full-time participants in medium and large private establishments. This coverage almost always continues for the rest of the retiree's life, but the amount of the benefit is usually reduced at least once during retirement.²²

Related protection

Additional life insurance, supplementing basic coverage, is often available. In the large majority of cases, employees have to pay the full premium for such benefits. The typical supplemental plan provides term life insurance in multiples of one to three times annual pay, at the employee's option. The availability of

²¹ 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.

²² 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.

supplemental coverage is more prevalent for employees who have 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 is also widely available to participants. Workers with this coverage are usually required to pay the entire premium. The most prevalent method used to provide dependent coverage is a flat dollar benefit. In such plans, spousal coverage typically provides benefits of \$5,000 or more while coverage for children usually offers benefits of \$1,000, \$2,000, or \$5,000 per child. Among other plans, the employee often has the option to select specific benefits.

Service requirements

Life insurance participants often have to work a minimum period to qualify for the plan. The most prevalent service requirements for such workers are 1 to 3 months. Most of the other participants do not have to meet any service requirement to qualify for benefits.

Accidental death and dismemberment

Accidental death and dismemberment (AD&D) insurance is available to a large majority of full-time

employees in medium and large private establishments. This insurance provides additional benefits if a worker dies or loses an eye or a limb in an accident. The AD&D benefit commonly equals the basic life insurance benefit for accidental death, and a portion of that benefit for dismemberment.²³

Survivor income benefits

A small percent of full-time employees in medium and large private establishments are covered by plans that provide a monthly income to surviving members of a deceased employee's family. These survivor income benefits are in addition to other benefits, such as basic life insurance and survivor pension benefits. Survivor income payments are generally a percentage of the employee's pay or a flat dollar amount. Benefits usually continue for 24 months, although some continue until a specific event occurs, such as the surviving spouse remarries or reaches age 65, or surviving children reach a given age.

²³ 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 117. Life insurance: Summary of provisions, full-time employees, medium and large private establishments, 1993

Item	All employees	Professional, technical, and related employees	Clerical and sales employees	Blue-collar and service employees
Number (in thousands) with basic life insurance	26,175	7,369	6,724	12,082
Total with basic life insurance ...	100	100	100	100
Multiple of earnings benefit ...	58	76	72	40
Dollar amount benefit	41	23	28	59
Benefits reduced for older active workers	42	45	44	38
Retiree coverage available ...	41	44	42	39
Supplemental coverage available	61	72	68	51
Spouse coverage available ..	59	64	65	52
Child coverage available	58	64	64	52
Required employee contribution	13	16	12	11

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

Table 118. Life insurance: Method of determining basic coverage, full-time employees, medium and large private establishments, 1993

Type	All employees	Professional, technical, and related employees	Clerical and sales employees	Blue-collar and service employees
Number (in thousands) with basic life insurance	26,175	7,369	6,724	12,082
Total with basic life insurance ...	100	100	100	100
Multiple of earnings benefit	58	76	72	40
Fixed multiple of earnings ²	58	75	71	40
Multiple varies by earnings	(1)	(1)	(1)	(1)
Multiple varies by service	(1)	(1)	1	(1)
Dollar amount benefit ...	41	23	28	59
Flat dollar amount	36	20	25	51
Dollar amount varies by earnings	4	2	2	6
Dollar amount varies by service	1	2	1	1
Other	1	1	1	(1)
Not determinable	(1)	(1)	-	(1)

¹ Less than 0.5 percent.

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

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

Table 119. Life insurance: Flat dollar benefit amounts, full-time employees, medium and large private establishments, 1993

Amount of insurance	All employees	Professional, technical, and related employees	Clerical and sales employees	Blue-collar and service employees
Number (in thousands) with dollar amount of basic life insurance	10,727	1,727	1,857	7,143
	Percent			
Total with dollar amount of basic life insurance	100	100	100	100
Flat dollar amount	87	83	90	87
Less than \$5,000	5	3	8	5
\$5,000 - \$9,999	22	16	20	24
\$10,000 - \$14,999	30	29	34	29
\$15,000 - \$19,999	9	7	5	10
\$20,000 - \$24,999	9	6	9	9
\$25,000 - \$29,999	6	7	6	5
\$30,000 - \$49,999	4	5	5	3
\$50,000 - \$99,999	3	8	3	1
\$100,000 and over	(¹)	2	1	(¹)
Dollar amount varies by earnings	10	10	7	11
Dollar amount varies by service	3	7	3	2
	Average ²			
Average flat dollar amount of basic life insurance	\$15,481	\$25,665	\$16,241	\$12,914

¹ Less than 0.5 percent.

² The average is presented for all covered workers; averages exclude workers without the plan provision.

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

Table 120. Life insurance: Multiple of earnings benefit amounts, full-time employees, medium and large private establishments, 1993

Formula	All employees	Professional, technical, and related employees	Clerical and sales employees	Blue-collar and service employees
Number (in thousands) with multiple of earnings basic life insurance	15,309	5,596	4,831	4,882
	Percent			
Total with multiple of earnings formula	100	100	100	100
Flat multiple of earnings ² ..	99	99	99	99
Less than 1.0	4	4	4	5
1.0	54	48	56	58
1.1 - 1.9	13	13	11	13
2.0	22	25	21	19
2.1 - 2.9	3	5	3	2
3.0	2	2	2	1
Greater than 3.0	1	2	1	1
Multiple varies by earnings	(¹)	(¹)	(¹)	(¹)
Multiple varies by service	1	(¹)	1	1
	Average ³			
Average flat multiple of earnings formula	1.4	1.5	1.4	1.4

¹ Less than 0.5 percent.

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

³ The average is presented for all covered workers; averages exclude workers without the plan provision.

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

Table 121. Life insurance: Maximum benefits placed on multiple of earnings formulas, full-time employees, medium and large private establishments, 1993

Maximum	All employees	Professional, technical, and related employees	Clerical and sales employees	Blue-collar and service employees
Number (in thousands) with multiple of earnings formula	15,309	5,596	4,831	4,882
	Percent			
Total with multiple of earnings formula	100	100	100	100
With maximum benefit amount	52	53	53	50
Less than \$50,000	2	1	2	2
\$50,000 - \$99,999	18	17	18	17
\$100,000	6	7	7	5
\$100,001 - \$249,999	7	7	7	7
\$250,000 - \$499,999	12	14	10	12
\$500,000	2	3	2	2
\$500,001 - \$999,999	2	2	2	1
\$1,000,000 or more	3	3	4	3
No maximum specified	46	45	46	48
Not determinable	2	1	1	3
	Average ¹			
Average maximum	\$263,286	\$253,525	\$291,085	\$245,953

¹ The average is presented for all covered workers; averages exclude workers without the plan provision.

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

Table 122. Life insurance: Minimum benefits placed on multiple of earnings formulas, full-time employees, medium and large private establishments, 1993

Minimum	All employees	Professional, technical, and related employees	Clerical and sales employees	Blue-collar and service employees
Number (in thousands) with multiple of earnings formula	15,309	5,596	4,831	4,882
	Percent			
Total with multiple of earnings formula	100	100	100	100
With minimum benefit amount	11	11	9	12
Less than \$5,000	(¹)	(¹)	(¹)	(¹)
\$5,000 - \$9,999	2	2	2	3
\$10,000 - \$24,999	7	7	6	7
\$25,000 - \$49,999	1	1	(¹)	1
\$50,000 - \$74,999	1	1	1	1
No minimum specified	88	88	90	86
Not determinable	2	1	1	3
	Average ²			
Average minimum	\$14,978	\$15,819	\$13,742	\$14,991

¹ Less than 0.5 percent.

² The average is presented for all covered workers; averages exclude workers without the plan provision.

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

Table 123. Life insurance: Reductions in benefits for older workers, full-time employees, medium and large private establishments, 1993

Policy	All employees	Professional, technical, and related employees	Clerical and sales employees	Blue-collar and service employees
	26,175	7,369	6,724	12,082
Percent				
Total with basic life insurance ...	100	100	100	100
With reductions for older workers	42	45	44	38
Percent per year reduction	8	7	8	9
Flat percent then per year reduction	1	1	(¹)	(¹)
Reduction varies by age	31	34	34	28
Other reduction	(¹)	1	1	(¹)
Reduction not determinable	1	2	1	1
No reductions for older workers	35	36	36	34
Not determinable	23	19	19	27

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 124. Life insurance: Age at which benefits for older workers are first reduced, full-time employees, medium and large private establishments, 1993

Age	All employees	Professional, technical, and related employees	Clerical and sales employees	Blue-collar and service employees
	26,175	7,369	6,724	12,082
Percent				
Total with basic life insurance ...	100	100	100	100
With reductions for older workers	42	45	44	38
Age of first reduction:				
Age 60 or before	1	1	1	1
Age 61-64	(¹)	(¹)	(¹)	(¹)
Age 65	23	26	25	19
Age 66-69	3	2	4	2
Age 70	14	12	12	15
Age 71 or later	(¹)	(¹)	(¹)	(¹)
Other	(¹)	1	1	(¹)
Not determinable	1	2	1	1
No reductions for older workers	35	36	36	34
Not determinable	23	19	19	27

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 125. Life insurance: Retiree coverage, full-time employees, medium and large private establishments, 1993

Coverage	All employees	Professional, technical, and related employees	Clerical and sales employees	Blue-collar and service employees
	26,175	7,369	6,724	12,082
Percent				
Total with basic life insurance ...	100	100	100	100
With retiree coverage	41	44	42	39
Employer paid	31	33	30	30
Retiree paid	8	9	9	6
Jointly paid	2	2	4	2
Source of payment unknown	1	1	1	1
No retiree coverage	57	54	56	59
Not determinable	2	2	2	2

Table 126. Life insurance: Reductions in benefits for retirees, full-time employees, medium and large private establishments, 1993

Reduction policy	All employees	Professional, technical, and related employees	Clerical and sales employees	Blue-collar and service employees
Number (in thousands) with basic life insurance	26,175	7,369	6,724	12,082
	Percent			
Total with basic life insurance ...	100	100	100	100
With retiree coverage	41	44	42	39
No reductions	3	3	3	4
With reductions				
Reduced once	21	22	23	20
Reduced more than once	13	16	14	11
Reduction not determinable	3	2	2	5
No retiree coverage	57	54	56	59
Not determinable	2	2	2	2

Table 127. Life insurance: Method of reducing benefits for retirees, full-time employees, medium and large private establishments, 1993

Method	All employees	Professional, technical, and related employees	Clerical and sales employees	Blue-collar and service employees
Number (in thousands) with retiree coverage	10,832	3,247	2,851	4,735
	Percent			
Total with retiree coverage	100	100	100	100
With reductions	83	88	87	78
Percent of coverage	15	17	17	12
Percent of coverage with minimum and/or maximum	7	7	7	7
Percent of salary	1	1	1	1
Percent of salary with minimum and/or maximum	2	2	2	1
Minimum and/or maximum benefit only	4	3	5	3
Flat amount	27	27	26	28
Other	5	4	7	3
Not determinable	23	26	21	22
No reductions	8	7	7	10
Reductions not determinable	8	5	6	12

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

Table 128. Life insurance: Supplemental coverage, full-time employees, medium and large private establishments, 1993

Coverage	All employees	Professional, technical, and related employees	Clerical and sales employees	Blue-collar and service employees
Number (in thousands) with basic life insurance	26,175	7,369	6,724	12,082
	Percent			
Total with basic life insurance ...	100	100	100	100
With supplemental coverage	61	72	68	51
Employee paid	49	52	55	43
Jointly paid	7	11	8	4
Flexible benefits	5	9	4	3
Composite rate	(¹)	-	(¹)	(¹)
Source of payment unknown	1	1	(¹)	1
No supplemental coverage	39	28	32	49

¹ Less than 0.5 percent

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

Table 129. Supplemental life insurance: Maximum coverage available, full-time employees, medium and large private establishments, 1993

Maximum	All employees	Professional, technical, and related employees	Clerical and sales employees	Blue-collar and service employees
Number (in thousands) with supplemental life insurance	16,009	5,326	4,555	6,128
	Percent			
Total with supplemental coverage	100	100	100	100
Maximum specified	28	31	33	22
Dollar maximum	17	19	19	13
Less than \$50,000	2	1	1	3
\$50,000 - \$99,999	1	1	1	1
\$100,000 - \$249,999	5	4	8	3
\$250,000 - \$499,999	4	6	4	3
\$500,000 - \$999,999	6	7	6	5
\$1,000,000 or more	3	4	5	2
Other maximum	1	(¹)	1	1
No maximum specified	56	55	51	59
Not determinable	16	14	16	18

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 130. Life insurance: Availability of supplemental coverage by method of determining basic coverage, full-time employees, medium and large private establishments, 1993

Type	All employees	Professional, technical, and related employees	Clerical and sales employees	Blue-collar and service employees
Number (in thousands) with basic life insurance	26,175	7,369	6,724	12,082
	Percent			
Total with basic life insurance ...	100	100	100	100
Multiple of earnings formula	58	76	72	40
With supplemental benefits	44	58	55	28
Without supplemental benefits	15	18	17	12
Flat dollar amount formula	41	23	28	59
With supplemental benefits	18	14	13	22
Without supplemental benefits	23	9	15	37
Other formula	1	1	1	(¹)
With supplemental benefits	(¹)	(¹)	(¹)	(¹)
Without supplemental benefits	(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 131. Life insurance: Dependent coverage, full-time employees, medium and large private establishments, 1993

Coverage	All employees	Professional, technical, and related employees	Clerical and sales employees	Blue-collar and service employees
Number (in thousands) with basic life insurance	26,175	7,369	6,724	12,082
	Percent			
Total with basic life insurance ...	100	100	100	100
With dependent coverage	59	64	65	52
Employer paid	9	7	9	11
Employee paid	34	36	39	30
Jointly paid	8	12	10	5
Source of payment unknown	1	1	1	1
Flexible benefits	5	8	5	3
Composite rate	1	1	1	1
No dependent coverage	41	36	35	48

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

Table 132. Spouse life insurance: Type and amount of coverage, full-time employees, medium and large private establishments, 1993

Type and amount of coverage	All employees	Professional, technical, and related employees	Clerical and sales employees	Blue-collar and service employees
Number of employees (in thousands) with spouse life insurance coverage	15,353	4,735	4,340	6,278
	Percent			
Total with spouse life insurance coverage	100	100	100	100
Flat amount	37	33	37	40
Less than \$1,000	1	(¹)	1	1
\$1,000	5	2	3	8
\$1,500	1	1	1	1
\$2,000	6	5	5	7
\$2,500	2	1	2	4
\$3,000	1	1	1	2
\$4,000	(¹)	(¹)	(¹)	(¹)
\$5,000	9	10	9	9
Greater than \$5,000	12	13	16	9
Varies by age of spouse	1	(¹)	1	(¹)
Varies by earnings	3	2	4	2
Varies by employee option ..	27	34	25	25
Percent of employee coverage	4	3	5	4
Other	(¹)	1	(¹)	-
Not determinable	28	28	29	28
	Average ²			
Average flat benefit amount	\$7,316	\$8,949	\$9,055	\$5,224

¹ Less than 0.5 percent.

² The average is presented for all covered workers; averages exclude workers without the plan provision.

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

Table 133. Child life insurance: Type and amount of coverage, full-time employees, medium and large private establishments, 1993

Type and amount of coverage	All employees	Professional, technical, and related employees	Clerical and sales employees	Blue-collar and service employees
Number of employees (in thousands) with child life insurance coverage	15,285	4,717	4,309	6,258
	Percent			
Total with child life insurance coverage	100	100	100	100
Flat amount	46	42	50	46
Less than \$1,000	1	1	1	2
\$1,000	10	7	10	13
\$1,500	2	1	1	2
\$2,000	12	11	12	13
\$2,500	4	3	4	4
\$3,000	1	1	2	1
\$3,001-\$3,999	1	1	1	(¹)
\$4,000	1	2	1	(¹)
\$5,000	7	8	9	5
Greater than \$5,000	6	7	8	5
Varies by age of child ²	2	1	1	3
Varies by earnings	(¹)	1	(¹)	(¹)
Varies by employee option ..	23	28	19	22
Percent of employee coverage	1	1	1	1
Not determinable	28	28	29	28
	Average ³			
Average flat benefit amount	\$3,393	\$3,790	\$3,710	\$2,885

¹ Less than 0.5 percent.

² Amount of insurance increases at some point after 1 year of age.

³ The average is presented for all covered workers; averages exclude workers without the plan provision.

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

Table 134. Accidental death and dismemberment insurance: Method and amount of coverage, full-time employees, medium and large private establishments, 1993

Amount of coverage ¹	All employees	Professional, technical, and related employees	Clerical and sales employees	Blue-collar and service employees
Number (in thousands) with AD&D insurance	19,795	5,620	4,772	9,402
Total with AD&D insurance	100	100	100	100
Multiple of life insurance	85	82	87	86
Less than 1 times	3	2	1	4
1 times	81	78	85	80
Greater than 1 times	1	2	1	1
Flat amount	10	10	7	11
Less than \$5,000	1	(²)	1	1
\$5,000 - \$9,999	3	1	1	4
\$10,000 - \$19,999	3	2	2	3
\$20,000 - \$29,999	2	4	2	1
\$30,000 or greater	(²)	(²)	(²)	(²)
Multiple of earnings	4	6	5	2
Less than 1 times	(²)	-	(²)	(²)
1 times	3	5	3	1
Greater than 1 times	2	2	2	1
Other	2	2	1	1

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

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 135. Life insurance: Eligibility requirements, full-time employees, medium and large private establishments, 1993

Length-of-service requirement	All employees	Professional, technical, and related employees	Clerical and sales employees	Blue-collar and service employees
Number (in thousands) with basic life insurance	26,175	7,369	6,724	12,082
Total with basic life insurance ...	100	100	100	100
With service requirement	48	37	49	53
1 month	14	14	13	14
2 months	5	3	3	7
3 months	20	14	23	22
4 - 5 months	1	(¹)	1	1
6 months	6	3	7	7
7 - 11 months	(¹)	-	-	(¹)
12 months	2	2	2	2
Greater than 12 months	(¹)	(¹)	(¹)	(¹)
No service requirement	34	47	35	25
Closed to new employees	(¹)	(¹)	(¹)	(¹)
Not determinable	18	15	16	21
Average service requirement (in months)	3.2	3.2	3.2	3.2

¹ Less than 0.5 percent.

² The average is presented for all covered workers; averages exclude workers without the plan provision.

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 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. Most full-time employees in medium and large private establishments participate in defined benefit pension plans. However, in recent years defined contribution plans, such as 401(k) plans, have become increasingly prevalent. 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 includes a variety of defined benefit pension plans provisions (table 136), such as:

- Formulas for calculating benefits;
- How benefits are coordinated with Social Security payments;
- Ceilings on benefit payments;
- Survivor annuities;
- Age and service requirements for retirement;
- Availability of supplements to normal and early retirement pension benefits;
- Disability retirement benefits;
- Vesting schedules;
- Postretirement pension increases;
- Employee contributions; and
- Plan participation requirements.

To summarize the overall effect of many of these provisions, pension benefits and replacement rates (the proportion of preretirement income replaced by pension payments) are computed for workers with several assumed levels of earnings and years of service. Each of these topics is discussed in the following sections of this chapter.

Benefit formulas

Earnings-based formulas are the most prevalent method used to determine retirement payments for employees covered by defined benefit pension plans (tables 137-141). 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 most participants with earnings-based formulas, pensions are based on earnings in the final years of employment (*terminal-earnings formula*); for the remainder, an average of career earnings is used (*career-earnings formula*).

Terminal earnings often are defined as the average over a 5-year period. Such formulas usually designate the 5 consecutive years with the highest earnings out of the last 10 years before retirement.

Participants in plans with terminal-earnings formulas frequently have benefit formulas that vary according to service, earnings, or a combination of the two factors. As an example of variation by 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. If earnings were \$40,000 and service was 30 years, the annual pension payment would be computed as follows:

1 percent times \$12,000	\$120
1.5 percent times \$28,000	\$420
Total credits per year of service	\$540
Credits (\$540) times 30 years	\$16,200

Similarly, formulas based on career earnings typically provide participants with percentages that varied, usually by earnings.

The earnings used to compute pension benefits for earnings-based formulas commonly include only "basic" earnings, that is, straight-time earnings. When additional earnings are part of the benefit calculation, such earnings may include overtime pay, shift differentials, bonuses, and commissions.

Most plans that do not use a percent-of-earnings benefit formula specify 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. Although the

dollar amount in these formulas sometimes varies with an employee's earnings or service, the predominant method is to multiply a uniform (single) dollar amount by years of service.

The basis of pension payments differs sharply by employee group. A large majority of white-collar participants are provided earnings-based pensions, whereas dollar-amount formulas are commonly applied to blue-collar participants.

In addition, two other types of defined benefit pension formulas are used, although they cover only a small percent of 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.

Cash account pension formula 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 these plans as defined benefit plans because the employer guarantees a certain level of benefits.

In some pension plans, participants are eligible to receive benefits from either primary or alternative formulas, whichever yields a greater benefit. Alternative formulas often are included to provide 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 provides 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, pension plans may contain Social Security integration provisions. Such integration may take the form of 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 base²⁴ than for earnings above the base (table 142).

Social Security offsets are usually applied immediately upon retirement, whether or not the retiree is eligible for Social Security benefits. The offset typically is specified as a 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.

Benefit formulas are often coordinated with Social Security for 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. Since 1991, excess plans have been 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.²⁵

Maximum and minimum benefit provisions

The Employee Retirement Income Security Act of 1974 (ERISA) and subsequent amendments place ceilings on the size of annual pensions from defined benefit plans. These restrictions largely affect only highly compensated employees. Many plans, however, have provisions that restrict benefit levels for all participants. For example, some participants are in plans that limit the number of years of service included in benefit computations; maximums of 30 to 40 years are typical. For other participants, annual pensions (usually including Social Security payments) can not exceed either a specified percent of average annual earnings, or a specified dollar amount (table 143).

In some pension plans, participants are covered by a provision for a minimum retirement benefit, regardless of age or service. Such minimum benefits provide a level of protection, such as a flat amount of \$100 a month, below which retirement benefits can not fall.

²⁴ The Social Security taxable wage base increases annually. In 1993 it was \$57,600.

²⁵ For a comprehensive analysis of pension benefit formulas integrated with Social Security, see Avy D. Graham, "Coordinating Private Pension Benefits with Social Security," *Monthly Labor Review*, March 1984, pp. 35-38.

Methods of payment

The benefit formulas just described are used to compute a *straight-life annuity*, that is, a periodic payment for the life of the retiree, with no additional payments to survivors. Defined benefit pension plans offer a variety of additional payment methods, although each is based on the straight-life annuity. For married employees, the standard benefit prescribed by law is the *joint-and-survivor annuity*, which provides payments to a surviving spouse after a retiree dies. Such employees may choose a straight-life annuity or some other form of benefit, but only upon written approval of both the employee and spouse.

Another optional method of payment is for the employee to receive the pension benefit in a *lump-sum* payment (table 144). This lump sum provides the employee with the actuarial equivalent of the annuity. In most of these plans, only a full lump-sum option is available. If a participant elects a full lump-sum distribution, he or she receives no further benefits from the pension plan. Where a partial distribution is available, the participant generally receives a reduced annuity for the remainder of her or his life.

Survivor annuities

ERISA also requires defined benefit pension plans to provide a spouse with at least 50 percent of the retiree's payments after the retiree's death (table 145). When this type of pension 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 have survivor annuity options available to them.²⁶

The most prevalent type of survivor benefits—joint-and-survivor annuities—provides a reduced benefit to the retiree and a percentage of that reduced benefit to the spouse upon the retiree's death. The reduction may be a percent of the benefit—for example, 10 percent—or may be actuarially determined based on the life expectancy of the retiree and spouse. Although some participants have plans that offer only one joint-and-survivor option that pays a surviving spouse 50 percent of the retiree's adjusted pension, a majority of participants have a choice of two alternative percentages or more (for example, 50, 67, or 100 percent) to be continued to the spouse, with corresponding reductions in the employees' annuities. Should the spouse prede-

cease the retiree, the retiree's unreduced benefit may be restored, although such provisions are uncommon.

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. The retiree receives the straight-life annuity; following the retiree's death, the spouse receives a percent of that annuity—often 50 percent. Such plans cover few participants.

A few pension plans provide a lump sum or installment death benefit to the survivor of a deceased retiree. Payments are in the form of a flat amount, such as \$5,000, in addition to the survivor annuity *or* a certain number of monthly payments, such as 60 or 180, less payments already received by the retiree. The latter usually occurs when the retiree and the spouse do not elect to take the joint and survivor annuity option.

Preretirement survivor benefits

Virtually all defined benefit pension plans offer survivor benefits in case the employee dies before retirement (table 146). Participants usually have to be vested, that is, have a permanent right to accrued pension benefits before plans would make such benefits available. For a large majority 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 are based on an early retirement benefit and, aside from the joint-and-survivor reduction, are provided at no cost to the employee. For a few participants, however, preretirement joint-and-survivor protection may involve an extra cost to the employee and is available only if elected. The employee normally pays this cost through a small deduction in the pension, ultimately payable to either the employee or the surviving spouse.

Other participants have 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 change based on age of the employee, the earliest available preretirement survivor annuity is tabulated.)

²⁶ 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.

Some plans also provide lump-sum death benefits to the survivors of employees who die before retirement. Payments are in the form of a flat amount, such as \$3,000, or the equivalent of a specified number of monthly retirement payments, such as 60.

Replacement rates

A commonly used indicator of pension benefits measures the percentage of a retiree's final year's earnings that is "replaced" by a pension payment. To calculate replacement rates for defined benefit pension plans in medium and large private establishments, the benefit under each surveyed plan, reduced for early retirement when applicable, is determined for employees retiring at age 55, 62, and 65. These benefit levels are then expressed as percents of earnings in the last year of employment. The calculations assume employees retired on January 1, and final earnings are for the previous calendar year.²⁷

For employees retiring at age 62 and 65, 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) are calculated for various combinations of final annual earnings and length of plan participation (table 147).²⁸ Average replacement rates for employees retiring at age 55 reflect only pension payments, because Social Security does not pay benefits at age 55. 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.

When combined with primary Social Security payments available at age 62 and 65, replacement rates change substantially as earnings increase. Workers earning \$15,000 in their final year of service have a considerably higher rate of earnings replaced after 30 years of service than do workers at the \$55,000 and \$65,000 earnings levels. The primary Social Security benefit payment at age 65 is larger than the average private pension at lower earnings levels, but the pension benefit becomes the greater component at higher earnings levels. The pension payment is generally the larger component regardless of earnings at age 62 because there is a 20-percent reduction in

Social Security benefits received at age 62 rather than at age 65.

Although private pension replacement rates (excluding Social Security) for white-collar employees usually remain fairly constant at higher earnings levels, rates for blue-collar workers commonly decrease. Production and service workers often 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 receive a straight-life annuity, that is, they do not provide benefits for a surviving spouse. Benefit rates differ, however, when an employee elects a survivor annuity for his or her spouse. The straight-life annuity replacement rate diminishes slightly, for example, a reduction of 10 percent of the retiree's annuity, to account for survivor benefits. Should the retiree die, the benefit for the surviving spouse ("survivor annuity") is about half that paid to the retiree under the joint-and-survivor annuity.

Normal retirement

A majority of defined benefit pension plan participants can retire before age 65 and still receive full private pensions (normal retirement benefits) (table 148). Participants who are required to be age 65 to receive unreduced benefits usually do 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 permit normal retirement prior to age 65, they generally impose a minimum service requirement. For example, normal retirement at age 60 and 62 is available to a large number of participants, but the majority of these workers also have a service requirement, commonly 5 or 10 years. Participants who can retire with unreduced benefits prior to age 60, including those who can retire at any age, usually have to work 30 years.

Plans that require combining a worker's age and service to reach a specified sum, such as 80 or 85, for retirement with full benefits cover few participants. This type of arrangement usually specifies a minimum age. Minimum lengths of service are less common. When a plan specifies 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 is tabulated.

A few pension plans provide monthly payments to supplement normal retirement pension benefits. These

²⁷ Earnings histories, necessary for applying the pension formulas, were constructed for each final earnings level based on data provided by the Social Security Administration.

²⁸ 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).

supplements are usually found in plans where participants can retire before age 62 and generally last until retirees are eligible for Social Security benefits.

Early retirement

Virtually all of the employees participating in defined benefit pension plans can retire before normal retirement age and receive an immediate, but reduced, pension (tables 149-150). Early retirement is almost always solely at the employee's option; few plans require employer approval for early retirement benefits. The amount of an early retirement pension is reduced because benefits begin at an earlier age, and the retiree is expected to receive plan payments over a longer period.

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. For example, reduction factors may differ for each year of early retirement, based on the employee's life expectancy at that age (actuarial reductions), or the reduction factor may differ for age brackets of several years instead of changing each year. Many participants with early retirement opportunities have uniform reduction factors, for example, 4 or 6 percent, for each year of early retirement. In plans with a lower 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 are computed actuarially.

Most employees are covered by plans permitting early retirement at age 55; generally, 10 years of service are required. However, some participants can retire earlier than age 55, commonly at any age after 30 years of service.

A small number of pension plans provide additional monthly payments to supplement the early retirement pension if employees retire 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. Most pension plan participants are covered by some type of disability retirement provision (tables 151-152).

Most blue-collar workers with disability retirement coverage are in plans with immediate benefits. In contrast, many white-collar workers are in plans that defer benefits. Workers with deferred benefits often receive long-term disability insurance (LTD) benefits that typically provide 50 or 60 percent of earnings at the time of disability; this frequently exceeds the amount that pension plans with immediate disability retirement provide. Furthermore, most deferred retirement benefits are greater than immediate pensions, primarily because the time during which LTD benefits are paid is 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 depends on length of service; often 10 years or more are required. Some participants, however, have no age or service requirement or have to meet the qualifications of their LTD plans, which usually imposes service requirements of 6 months or less.

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 153-154). 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 ERISA, some variations exist as to when vesting occurs. As a result of the Tax Reform Act of 1986, however, most plan sponsors have shortened their vesting schedules in the past few years.²⁹ For example, a large majority of the participants in defined benefit pension plans have to complete 5 years of service at any age before benefits are guaranteed (cliff vesting). Most of the remaining participants are in plans requiring 10 years of service. Participants not in plans with cliff vesting generally are covered by a graduated

²⁹ Multiemployer plans may continue to use 10-year vesting schedules pursuant to a collectively bargained agreement.

vesting provision, which increases the portion of guaranteed benefits as years of service increase. Full vesting usually comes after 7 years.

Most commonly, participants accrue years of vested service regardless of age, although a few are affected by the plan sponsor's right to exclude years of service before a specified age in determining vesting eligibility.

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 is used in plans covering many participants with early retirement provisions. When reductions differ, it is common to provide actuarial reductions to deferred vested benefits, eliminating the subsidy employers give to employees choosing early retirement.³⁰

Portability

When employees change employers, vested pension benefits are frequently held by the employer until the employee reaches retirement age. Alternatively, a plan may include a *portability* provision, that is, the ability to transfer years of credited service or accumulated benefits from one employer to another. Currently, only a few full-time employees with a defined benefit pension plan are covered by a portability provision (table 155). Most of these participants are covered by either a multiemployer plan established by a union or a single employer plan offered by an establishment that has a reciprocity agreement with related establishments, such as in the utilities industry. In these plans, if a vested employee moves to another employer, benefits from the prior employer usually in the form of years of credited service are transferred over to the new employer. Some participants covered under a portability provision may

have an option to cash out vested pension benefits valued at greater than \$3,500.

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. The Employee Benefits Survey studies automatic increases and discretionary, or ad hoc, increases granted during the 5-year period prior to the survey. Ad hoc increases are more common than automatic postretirement adjustments (usually annual adjustments based on CPI changes) in the private sector (table 156).

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. For example, a plan may provide a 5-percent pension increase to all individuals who retired prior to the survey year. Other plans may provide greater pension increases for individuals retired longer. For instance, a plan might grant a 5-percent pension increase if retired 10 years or less, and a 10-percent increase if retired more than 10 years.

A small number of plans grant automatic increases in pension benefits to compensate for increases in the cost of living. In most instances, these cost-of-living-adjustment formulas are based on changes in the BLS Consumer Price Index. Adjustments are often restricted, however, by provisions that limit the benefit change to a portion of the CPI change or by ceilings (generally 3 percent or less) on the periodic increase that can be applied. Plans providing cost-of-living increases most often call for annual adjustments.

Employee contributions

The employer usually pays the full cost of defined benefit pension plans for private sector participants (table 157). For employees who have to pay part of the cost, contributions are most commonly expressed as a percent of earnings. Most participants in contributory plans pay a flat percent of all earnings, for example, 3 or 4 percent. Participants in other contributory plans often pay one rate (for example, 2.5 or 4 percent) on earnings above a specified level, and a lower rate (or frequently zero) below that earnings level. The annual earnings level at which this break occurred is either a

³⁰ 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.

flat amount stated by the plan, or the Social Security taxable wage base. Plans with varying employee contributions usually coordinate 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.

Participation requirements

Some employees with defined benefit pension plans have immediate coverage when they are hired (table 158). Others can participate regardless of age but have

to meet a service requirement, usually 1 year. However, most employees with eligibility requirements generally can not enter the pension plan until they reach age 21 and complete 1 year of service; this is the most restrictive requirement permitted under the Internal Revenue Code.³¹

³¹ 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 136. Defined benefit plans: Summary of plan provisions, full-time employees, medium and large private establishments, 1993

Provision	All employees	Professional, technical, and related employees	Clerical and sales employees	Blue-collar and service employees
Number (in thousands) with defined benefit plan	16,015	4,405	3,939	7,671
	Percent			
Total with defined benefit plan ..	100	100	100	100
Basic provisions				
Employee contribution required	3	2	2	3
Benefits based on earnings ..	72	87	83	58
Benefits integrated with Social Security	48	59	60	36
Benefits subject to maximum ¹	37	41	48	30
Early retirement benefits available	95	94	95	96
Disability retirement benefits available	69	63	66	75
Portability provisions	7	8	8	7
Postretirement increases available	10	10	8	11
Other provisions				
Normal retirement supplement available	4	4	2	6
Early retirement supplement available	10	6	4	16
Minimum benefits provision ..	2	3	2	2
Early retirement requires employer approval	3	2	1	5
Lump-sum postretirement survivor benefits	2	1	2	3
Lump-sum preretirement survivor benefits	3	3	2	3
Full pension restored if spouse predeceases retiree	10	6	10	13

¹ Provisions that restrict benefits, such as limits on the number of years of service included in benefit computations.

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

Table 137. Defined benefit plans: Primary formula and availability of alternative formula, full-time employees, medium and large private establishments, 1993

Benefit formula ¹	All employees	Professional, technical, and related employees	Clerical and sales employees	Blue-collar and service employees
Number (in thousands) with defined benefit plan	16,015	4,405	3,939	7,671
	Percent			
Total with defined benefit plan ..	100	100	100	100
Percent of terminal earnings	61	74	73	48
With alternative formula ..	21	26	18	19
Percent of career earnings ..	11	13	10	10
With alternative formula ..	3	4	2	3
Dollar amount formula	22	7	11	36
With alternative formula ..	1	1	(²)	1
Percent of contribution formula	2	(²)	1	4
Cash account	3	6	4	2
With alternative formula ..	(²)	(²)	(²)	(²)
Other	(²)	(²)	(²)	(²)

¹ Alternative formulas are generally designed to provide a minimum benefit for employees with short service or low earnings.

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 138. Defined benefit plans: Terminal earnings formula, full-time employees, medium and large private establishments, 1993

Item	All employees	Professional, technical, and related employees	Clerical and sales employees	Blue-collar and service employees
Number (in thousands) with terminal earnings formula ...	9,803	3,262	2,880	3,660
	Percent			
Total with terminal earnings formula	100	100	100	100
Flat percent per year of service	48	44	42	57
Less than 1.00 percent ...	4	1	2	9
1.00 - 1.24 percent	5	5	5	5
1.25 - 1.49 percent	8	7	8	8
1.50 - 1.74 percent	22	21	17	27
1.75 - 1.99 percent	4	5	4	4
2.00 - 2.24 percent	5	4	7	4
2.25 percent or greater ...	(¹)	(¹)	(¹)	(¹)
Percent per year varies	51	55	57	42
By service	7	7	10	5
By earnings	36	41	41	29
By age	(¹)	(¹)	(¹)	(¹)
By earnings and service	7	7	7	8
Other	1	1	1	(¹)
	Average ²			
Average flat percent per year of service	1.48	1.54	1.55	1.41

¹ Less than 0.5 percent.

² The average is presented for all covered workers; averages exclude workers without the plan provision.

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

Table 139. Defined benefit plans: Definition of terminal earnings, full-time employees, medium and large private establishments, 1993

Definition of earnings	All employees	Professional, technical, and related employees	Clerical and sales employees	Blue-collar and service employees
Number (in thousands) with terminal earnings formula ...	9,803	3,262	2,880	3,660
	Percent			
Total with terminal earnings formula	100	100	100	100
Final year	1	(¹)	1	1
Three years	14	13	11	16
Last 3	1	1	(¹)	2
High 3	3	4	2	4
Of last 10	(¹)	(¹)	(¹)	(¹)
Of career	3	4	2	4
High consecutive 3	9	8	9	11
Of last 10	7	7	8	7
Of career	2	1	1	3
Of other time period ..	1	(¹)	-	1
Five years	83	84	86	81
Last 5	3	3	3	2
High 5	16	13	12	21
Of last 10	4	4	3	5
Of career	9	6	7	13
Of other time period ..	3	3	2	3
High consecutive 5	65	68	71	58
Of last 10	53	54	57	48
Of career	12	13	13	9
Of other time period ..	1	(¹)	1	(¹)
Other period ²	2	3	2	2

¹ Less than 0.5 percent.

² 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 140. Defined benefit plans: Types of earnings included in earnings-based formulas, full-time employees, medium and large private establishments, 1993

Definition of earnings	All employees	Professional, technical, and related employees	Clerical and sales employees	Blue-collar and service employees
Number (in thousands) with earnings-based formula	11,562	3,823	3,286	4,453
	Percent			
Total with earnings-based formula	100	100	100	100
Straight-time earnings only ...	67	65	66	68
Straight-time earnings plus other earnings	33	35	34	32
Overtime	32	32	32	30
Shift differentials	23	27	18	24
Commissions	19	20	16	20
Other	9	9	8	10

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 142. Defined benefit plans: Integration with Social Security, full-time employees, medium and large private establishments, 1993

Integration with Social Security	All employees	Professional, technical, and related employees	Clerical and sales employees	Blue-collar and service employees
Number (in thousands) with defined benefit pension	16,015	4,405	3,939	7,671
	Percent			
Total with defined benefit pension	100	100	100	100
With integrated formula	48	59	60	36
Step-rate excess ¹	31	40	39	22
Social Security breakpoint	23	29	32	14
Dollar amount breakpoint	9	11	7	8
Offset by Social Security ²	17	19	21	14
Without integrated formula ...	52	41	40	64

¹ Formula applies lower benefit rate to earnings subject to FICA (Social Security) taxes or below a specific dollar breakpoint.

² Benefit as calculated by formula is reduced by portion of primary Social Security payments, for example, 50 percent.

Table 141. Defined benefit plans: Dollar amount formula, full-time employees, medium and large private establishments, 1993

Item	All employees	Blue-collar and service employees
Number (in thousands) with dollar amount formula	3,497	2,754
	Percent	
Total with dollar amount formula	100	100
Flat monthly amount per year of service	97	97
Less than \$5.00	2	2
\$5.00 - \$9.99	6	6
\$10.00 - \$14.99	6	8
\$15.00 - \$19.99	12	13
\$20.00 - \$24.99	29	29
\$25.00 - \$29.99	18	15
\$30.00 - \$34.99	15	14
\$35.00 - \$39.99	4	4
\$40.00 or more	6	7
Dollar amount varies	3	3
By service	1	1
By earnings	2	2
	Average ¹	
Average flat dollar amount per year of service	\$24.76	\$24.51

¹ The average is presented for all covered workers; averages exclude workers without the plan provision.

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

Table 143. Defined benefit plans: Maximum benefit provisions¹, full-time employees, medium and large private establishments, 1993

Maximum benefit	All employees	Professional, technical, and related employees	Clerical and sales employees	Blue-collar and service employees
Number (in thousands) with defined benefit plan	16,015	4,405	3,939	7,671
	Percent			
Total with defined benefit plan ..	100	100	100	100
Subject to maximum	37	41	48	30
Limit on years of credited service				
Less than 30	5	6	6	4
30	12	11	15	11
31-34	3	4	3	3
35	10	11	15	6
36-39	(²)	1	(²)	(²)
40	6	6	6	5
Greater than 40	1	1	2	1
Other maximum ³	1	1	1	(²)
Not subject to maximum	63	59	52	70
	Average ⁴			
Average credited service maximum (in years)	32.8	33.0	32.7	32.7

¹ These maximum provisions are independent of Internal Revenue Code ceilings on pensions payable from defined benefit plans.

² Less than 0.5 percent.

³ The benefit yielded under the formula is limited to a percent of terminal earnings or to a flat dollar amount.

⁴ The average is presented for all covered workers; averages exclude workers without the plan provision.

Note: Sums of individual items may not equal totals because 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 144. Defined benefit plans: Availability of lump sum benefits at retirement, full-time employees, medium and large private establishments, 1993

Option	All employees	Professional, technical, and related employees	Clerical and sales employees	Blue-collar and service employees
Number (in thousands) with defined benefit plan	16,015	4,405	3,939	7,671
	Percent			
Total with defined benefit plan ..	100	100	100	100
With lump sum available	10	12	11	8
Full lump sum available ..	9	12	10	7
Limited to specified amount	3	3	4	2
No limit	6	8	6	5
Partial lump sum with reduced annuity	1	(¹)	1	1
No lump sum available	90	88	89	92

¹ Less than 0.5 percent.

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

Table 145. Defined benefit plans: Postretirement survivor benefits, full-time employees, medium and large private establishments, 1993

Survivor benefit provisions	All employees	Professional, technical, and related employees	Clerical and sales employees	Blue-collar and service employees
Number in thousands with defined benefit plan	16,015	4,405	3,939	7,671
	Percent			
Total with defined benefit plan ..	100	100	100	100
With postretirement survivor benefits	100	100	100	100
Joint and survivor annuity ¹	95	97	99	91
50 percent only	26	22	26	27
51 - 99 percent only	3	(²)	1	5
100 percent only	1	1	(²)	1
Retiree choice of percentages	65	74	72	57
Highest:				
50 percent	(²)	(²)	(²)	(²)
51 - 99 percent	3	5	4	2
100 percent	62	69	68	55
Percent of unreduced accrued benefits	5	3	1	9

¹ 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 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 payment for a specified period.

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 146. Defined benefit plans: Preretirement survivor benefits, full-time employees, medium and large private establishments, 1993

Survivor benefit provisions	All employees	Professional, technical, and related employees	Clerical and sales employees	Blue-collar and service employees
• Number (in thousands) with defined benefit plan	16,015	4,405	3,939	7,671
	Percent			
Total with defined benefit plan ..	100	100	100	100
With preretirement survivor benefits ¹	100	100	100	99
Equivalent to joint-and-survivor annuity ²	93	96	97	90
50 percent of employee's pension	81	81	85	80
With additional employee cost ³	7	6	6	8
Other percent of employee's pension ⁴	4	4	4	4
With additional employee cost ³	(⁵)	(⁵)	(⁵)	(⁵)
Employee choice of percent ⁶	8	11	8	6
With additional employee cost ³	2	3	2	1
Percent of accrued benefits	6	4	2	9
Other ⁷	(⁵)	(⁵)	(⁵)	(⁵)
No preretirement survivor benefits	(⁵)	-	-	1

¹ Survivor annuity is based upon the benefit the employee would have received if retirement had occurred on the date of death.

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

⁴ Other percentages range from 51 - 100 percent of retiree's pension.

⁵ Less than 0.5 percent.

⁶ Alternative percentages were usually 50 or 100 percent.

⁷ 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 147. Defined benefit plans: Average replacement rates for specified final earnings and years of service at selected ages,¹ full-time employees, medium and large private establishments, 1993

Final annual earnings	Years of plan participation ²						
	10	15	20	25	30	35	40
Pension only--Age 55							
\$15,000	8.1	12.1	17.0	21.7	27.0	30.9	34.1
\$25,000	6.9	10.8	15.0	19.1	23.6	26.8	29.5
\$35,000	6.6	10.3	14.1	18.0	22.2	25.1	27.7
\$45,000	6.4	10.0	13.5	17.4	21.5	24.3	26.7
\$55,000	6.3	9.8	13.3	17.0	21.0	23.8	26.2
\$65,000	6.3	9.9	13.3	17.0	21.0	23.8	26.1
Pension only--Age 52							
\$15,000	11.7	17.3	23.3	29.7	35.5	40.1	44.0
\$25,000	10.3	15.3	20.4	25.8	30.8	34.5	37.7
\$35,000	9.7	14.5	19.1	24.1	28.8	32.3	35.2
\$45,000	9.4	14.0	18.4	23.3	27.8	31.3	33.9
\$55,000	9.2	13.7	18.0	22.7	27.3	30.6	33.2
\$65,000	9.2	13.7	18.1	22.7	27.3	30.6	33.1
Pension plus Social Security ³ --Age 62							
\$15,000	31.3	42.6	52.1	62.0	71.2	79.3	83.2
\$25,000	26.2	34.6	43.2	52.1	60.5	67.8	70.9
\$35,000	23.0	31.3	39.4	47.3	54.6	60.4	63.3
\$45,000	21.4	29.3	36.6	43.7	49.8	54.2	56.9
\$55,000	20.2	27.6	34.3	40.5	45.9	50.0	52.6
\$65,000	18.5	25.5	31.8	37.8	43.0	47.0	49.6
Pension only--Age 65							
\$15,000	12.2	18.5	24.5	30.9	36.8	41.6	45.6
\$25,000	10.7	16.2	21.4	26.9	32.0	35.9	39.1
\$35,000	10.1	15.3	20.1	25.3	30.0	33.7	36.7
\$45,000	9.8	14.8	19.4	24.5	29.2	32.8	35.6
\$55,000	9.6	14.4	19.0	24.0	28.8	32.3	34.9
\$65,000	9.6	14.5	19.2	24.2	28.9	32.3	34.9
Pension plus Social Security ³ --Age 65							
\$15,000	39.3	52.1	62.8	73.7	84.2	92.8	96.8
\$25,000	31.9	42.1	51.9	62.0	71.7	79.3	82.6
\$35,000	28.1	37.9	47.3	56.3	64.6	70.4	73.4
\$45,000	25.9	35.4	43.8	51.9	58.1	62.8	65.7
\$55,000	24.5	33.2	40.9	47.6	53.3	57.7	60.4
\$65,000	22.2	30.4	37.7	44.1	49.7	53.9	56.6

¹ Replacement rate is defined as a pension benefit divided by earnings in the final year of work. The maximum pension available to an employee, reduced for early retirement when applicable, was calculated under each pension plan using the earnings and service assumptions shown.

These calculations assume employees retired on January 1, 1993, and final earnings are for 1992. 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 62 or age 65 after having paid into Social Security

for the same number of years as years of participation used for pension calculations. The 20-percent reduction in Social Security benefits received at age 62 is reflected in the combined pension and Social Security replacement rates shown for employees retiring at age 62. Full Social Security benefits are paid at age 65. Computations exclude participants in cash-account pension plans or plans with benefits based on career contributions.

² 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.

³ Excludes benefits for spouses and other dependents.

Table 148. Defined benefit plans: Requirements for normal retirement, full-time employees, medium and large private establishments, 1993

Requirements for normal retirement ¹	All employees	Professional, technical, and related employees	Clerical and sales employees	Blue-collar and service employees
Number (in thousands) with defined benefit plan	16,015	4,405	3,939	7,671
	Percent			
Total with defined benefit plan ..	100	100	100	100
No age requirement	5	6	5	5
Less than 30 years of service	(²)	(²)	(²)	(²)
30 years of service	4	5	4	4
More than 30 years of service	(²)	(²)	(²)	1
Less than age 55	(²)	-	-	(²)
30 years of service ...	(²)	-	-	(²)
At age 55	4	5	4	3
5 years of service	1	1	1	1
20 years of service ...	(²)	(²)	(²)	(²)
25 years of service ...	(²)	(²)	(²)	(²)
30 years of service ...	3	3	3	2
More than 30 years of service	(²)	-	(²)	-
At age 56 - 59	(²)	(²)	(²)	(²)
20 years of service ...	(²)	(²)	(²)	-
30 years of service ...	(²)	(²)	-	(²)
At age 60	13	13	10	14
No service requirement	3	3	2	3
5 years of service	3	5	3	3
10 years of service ...	1	1	1	1
15 years of service ...	(²)	(²)	(²)	(²)
20 years of service ...	(²)	(²)	(²)	(²)
25 years of service ...	1	1	1	1
30 years of service ...	4	2	2	5
More than 30 years of service	(²)	(²)	(²)	(²)
At age 61	(²)	-	-	(²)
15 years of service ...	(²)	-	-	(²)
At age 62	21	17	21	23
No service requirement	3	2	4	3
5 years of service	5	6	7	4
10 years of service ...	7	3	5	10
15 years of service ...	1	1	1	(²)
20 years of service ...	2	2	2	3
21 - 24 years of service	(²)	1	(²)	(²)
25 years of service ...	1	(²)	(²)	1
30 years of service ...	1	1	1	1
More than 30 years of service	1	1	1	(²)

See footnotes at end of table.

Table 148. Defined benefit plans: Requirements for normal retirement, full-time employees, medium and large private establishments, 1993 — Continued

Requirements for normal retirement ¹	All employees	Professional, technical, and related employees	Clerical and sales employees	Blue-collar and service employees
	Percent			
At age 63 - 64	2	(²)	3	1
No service requirement	1	(²)	3	1
10 years of service ...	(²)	(²)	(²)	(²)
25 years of service ...	(²)	-	(²)	(²)
At age 65	48	49	51	47
No service requirement	26	28	30	23
1 - 4 years of service	4	2	1	6
5 years of service	15	16	18	13
6 - 9 years of service	(²)	(²)	1	(²)
10 years of service ...	2	2	1	3
20 years of service ...	(²)	-	(²)	(²)
25 years of service ...	1	-	(²)	1
Sum of age plus service ³ ..	8	11	5	7
Equals Less than 80	2	3	1	2
Equals 80	1	1	(²)	1
Equals 81 - 89	3	4	2	3
Equals 90	1	2	(²)	1
Equals More than 90	1	2	1	1

¹ 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. 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.

² Less than 0.5 percent.

³ 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 149. Defined benefit plans: Requirements for early retirement, full-time employees, medium and large private establishments, 1993

Requirements for early retirement ¹	All employees	Professional, technical, and related employees	Clerical and sales employees	Blue-collar and service employees
Number (in thousands) with defined benefit plan	16,015	4,405	3,939	7,671
	Percent			
Total with defined benefit plan ..	100	100	100	100
With early retirement available	95	94	95	96
No age requirement ²	5	5	4	5
Less than 30 years of service	(¹)	(¹)	1	(¹)
30 years of service ..	4	4	3	5
Greater than 30 years of service ..	(¹)	(¹)	(¹)	(¹)
Less than age 55	9	9	11	7
No service requirement ² ..	(¹)	(¹)	1	(¹)
5 years of service ..	1	1	2	(¹)
6 - 9 years of service	(¹)	(¹)	(¹)	(¹)
10 years of service	2	2	1	2
15 years of service	1	2	2	1
20 years of service	1	1	1	1
25 years of service	2	2	4	2
30 years of service	(¹)	1	(¹)	(¹)
At age 55	68	72	72	64
No service requirement ² ..	2	4	2	1
1 - 4 years of service	1	1	(¹)	1
5 years of service ..	20	23	22	16
6 - 9 years of service	(¹)	(¹)	(¹)	(¹)
10 years of service	32	31	35	31
11 - 14 years of service	(¹)	(¹)	(¹)	-
15 years of service	12	11	12	11
20 years of service	2	1	1	2
25 years of service	(¹)	(¹)	(¹)	(¹)
Between ages 56 - 59	1	1	1	2
10 years of service	(¹)	(¹)	(¹)	-

See footnotes at end of table.

Table 149. Defined benefit plans: Requirements for early retirement, full-time employees, medium and large private establishments, 1993 — Continued

Requirements for early retirement ¹	All employees	Professional, technical, and related employees	Clerical and sales employees	Blue-collar and service employees
	Percent			
Between ages 56 - 59				
15 years of service	(¹)	-	(¹)	(¹)
20 years of service	(¹)	-	(¹)	1
25 years of service	(¹)	(¹)	(¹)	1
30 years of service	1	(¹)	(¹)	1
At age 60	7	3	4	11
No service requirement ² ..	(¹)	(¹)	(¹)	1
5 years of service ..	2	1	2	3
10 years of service	3	1	1	5
15 years of service	1	(¹)	1	2
20 years of service	(¹)	(¹)	(¹)	(¹)
At age 62	3	1	1	5
No service requirement ² ..	(¹)	-	(¹)	(¹)
5 years of service ..	(¹)	-	(¹)	(¹)
10 years of service	2	1	(¹)	5
Greater than 30 years of service	(¹)	(¹)	(¹)	(¹)
Sum of age plus service ³	3	4	3	2
Equals less than 80 ..	2	4	2	1
Equals 80	(¹)	1	(¹)	(¹)
Equals 81 - 89	(¹)	-	(¹)	(¹)
Equals 90	(¹)	-	(¹)	(¹)
Early retirement not available	5	6	5	4

¹ 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. 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.

² Less than 0.5 percent.

³ Where no service requirement is specified for early retirement, the service required for full vesting, usually 5 years, applies.

⁴ In most plans, participants must 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 150. Defined benefit plans: Early retirement reduction, full-time employees, medium and large private establishments, 1993

Early retirement reduction ¹	All employees	Professional, technical, and related employees	Clerical and sales employees	Blue-collar and service employees
Number (in thousands) with early retirement available ...	15,280	4,133	3,758	7,388
	Percent			
Total with early retirement available	100	100	100	100
Uniform percentage reduction ²	36	34	34	38
Less than 3.0	2	3	2	2
3.0	4	2	5	5
3.1 - 3.9	1	1	2	1
4.0	5	7	5	5
4.1 - 4.9	1	1	1	1
5.0	8	9	8	7
5.1 - 5.9	(³)	-	(³)	(³)
6.0	11	9	9	14
6.1 - 6.9	2	1	1	3
7.0	(³)	(³)	(³)	(³)
Greater than 7.0	(³)	1	(³)	(³)
Reduction varies	64	65	65	62
By service	10	9	9	11
By age	54	56	56	52
Reduction differs each year ⁴	28	27	25	30
Reduction differs by age bracket ⁵	26	29	31	22
Other reduction ⁶	(³)	1	1	(³)
	Average ⁷			
Average uniform reduction percentage	4.8	4.8	4.6	4.9

¹ Reduction for each year prior to normal retirement.

² In specific cases, uniform percentage reductions may approximate actuarial reductions, such as early retirement at age 55 with a reduction of 6 percent per 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 for each year retirement precedes 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.

⁶ Reduced amount was not derived from normal retirement formula.

⁷ The average is presented for all covered workers; averages exclude workers without the plan provision.

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

Table 151. Defined benefit plans: Method of calculating disability retirement benefits, full-time employees, medium and large private establishments, 1993

Benefit provisions	All employees	Professional, technical, and related employees	Clerical and sales employees	Blue-collar and service employees
Number (in thousands) with defined benefit plan	16,015	4,405	3,939	7,671
	Percent			
Total with defined benefit plan ..	100	100	100	100
With disability retirement available	69	63	66	75
Immediate disability retirement ¹	41	32	30	52
Unreduced normal benefits ²	32	24	22	41
Reduced normal benefits ³	9	6	7	11
Other than normal benefit ⁴	1	2	1	1
Deferred disability retirement	28	31	36	22
With benefits based on:				
Service when disabled	3	2	2	4
Service to retirement age	24	28	33	17
Other	1	(⁵)	1	2
Disability retirement not available	31	37	34	25

¹ Immediate disability pensions may be supplemented by additional allowances until an employee reaches a specified age or becomes eligible for Social Security.

² 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.

³ The disabled worker's pension is computed under plan's normal benefit formula, based on years of service actually completed, and then reduced for early receipt.

⁴ 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 formula both with and without Social Security offsets.

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 152. Defined benefit plans: Requirements for disability retirement, full-time employees, medium and large private establishments, 1993

Requirements for disability retirement ¹	All employees	Professional, technical, and related employees	Clerical and sales employees	Blue-collar and service employees
Number (in thousands) with defined benefit plan	16,015	4,405	3,939	7,671
	Percent			
Total with defined benefit plan ..	100	100	100	100
With disability retirement available	69	63	66	75
No minimum requirements	11	9	13	11
No age requirement	36	29	24	45
Less than 5 years of service	(²)	(²)	(²)	(²)
5 years of service	6	5	5	6
10 years of service	20	14	10	28
11 - 14 years of service	(²)	(²)	(²)	-
15 years of service	10	10	8	10
Greater than 15 years of service ..	(²)	(²)	(²)	(²)
Less than age 40	(²)	(²)	(²)	(²)
Ages 40 - 49	1	1	1	1
Age 50 or more	4	4	4	4
No service requirement	1	1	1	2
Less than 10 years of service	1	1	(²)	(²)
10 years of service	1	2	2	1
Greater than 10 years of service ..	1	(²)	(²)	1
Sum of age plus service	(²)	(²)	(²)	(²)
Receipt of long-term disability insurance benefits	16	17	21	12
Minimum vesting requirement ³	2	3	3	2
Disability retirement not available	31	37	34	25

¹ 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.

² Less than 0.5 percent.

³ An employee may be entitled to pension benefits after satisfying vesting service requirements, usually 5 years.

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

Table 153. Defined benefit plans: Vesting requirements, full-time employees, medium and large private establishments, 1993

Vesting requirements	All employees	Professional, technical, and related employees	Clerical and sales employees	Blue-collar and service employees
Number (in thousands) with defined benefit plan	16,015	4,405	3,939	7,671
	Percent			
Total with defined benefit plan ..	100	100	100	100
Immediate full vesting	(¹)	(¹)	(¹)	(¹)
Cliff vesting ²	96	94	94	98
With full vesting:				
At any age	92	88	88	95
5 years	79	80	80	78
6-9 years	(¹)	(¹)	0	(¹)
10 years	12	8	8	17
After specified age ³	4	5	6	2
Less than 5 years	(¹)	-	(¹)	(¹)
5 years	4	5	5	2
10 years	(¹)	(¹)	(¹)	(¹)
Sum of age plus service	(¹)	(¹)	(¹)	(¹)
Graduated vesting ⁴	4	6	6	2
With full vesting after:				
Less than 7 years	1	1	1	(¹)
7 years	3	4	4	1
More than 7 years	1	1	1	(¹)

¹ Less than 0.5 percent.

² 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 (usually after 5 years).

³ Sponsors may exclude years of service completed before age 18 from counting towards satisfaction of minimum vesting standards.

⁴ 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 (usually after 7 years).

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

Table 154. Defined benefit plans: Provisions for early receipt of deferred vested benefits, full-time employees, medium and large private establishments, 1993

Receipt of deferred vested benefits	All employees	Professional, technical, and related employees	Clerical and sales employees	Blue-collar and service employees
Number (in thousands) with defined benefit plan	16,015	4,405	3,939	7,671
	Percent			
Total with defined benefit plan ..	100	100	100	100
Deferred vested benefits available prior to normal retirement age	98	97	98	99
Reduced same as early retirement	46	42	46	48
Other reduction	52	54	51	51
Actuarial reduction	43	46	38	43
Uniform percent reduction	7	6	10	6
Other	2	2	3	2
Deferred vested benefits not available prior to normal retirement age	2	3	2	1

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

Table 155. Defined benefit plans: Portability provisions, full-time employees, medium and large private establishments, 1993

Portability provisions	All employees	Professional, technical, and related employees	Clerical and sales employees	Blue-collar and service employees
Number (in thousands) with defined benefit plan	16,015	4,405	3,939	7,671
	Percent			
Total with defined benefit plan ..	100	100	100	100
With portability provisions	7	8	8	7
Transfer of pension credits	7	7	7	7
Single employer plan ..	5	6	7	3
Multi-employer plan	2	1	1	3
Transfer of pension benefits	(¹)	(¹)	(¹)	(¹)
Lump sum over \$3,500 paid out at termination	(¹)	1	(¹)	-
No portability provisions	93	92	92	93

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 156. Defined benefit plans: Postretirement pension increases, full-time employees, medium and large private establishments, 1993

Item	All employees	Professional, technical, and related employees	Clerical and sales employees	Blue-collar and service employees
Number (in thousands) with defined benefit plan	16,015	4,405	3,939	7,671
	Percent			
Total with defined benefit plan ..	100	100	100	100
With postretirement increase available ¹	10	10	8	11
Automatic cost-of-living increase	4	4	4	4
Discretionary increase granted to retirees in the last 5 years	6	6	4	7
No postretirement increases	90	90	92	89

¹ Total may exceed sum of individual items because employees may be covered by more than one type of postretirement increase.

Table 157. Defined benefit plans: Employee contribution requirements, full-time employees, medium and large private establishments, 1993

Employee contributions	All employees	Professional, technical, and related employees	Clerical and sales employees	Blue-collar and service employees
Number (in thousands) with defined benefit plan	16,015	4,405	3,939	7,671
	Percent			
Total with defined benefit plan ..	100	100	100	100
Employee contribution required	3	2	2	3
Pretax contribution allowed	1	1	1	1
Pretax contribution not allowed	2	2	1	2
No employee contribution required	97	98	98	97

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

Table 158. Defined benefit plans: Eligibility requirements, full-time employees, medium and large private establishments, 1993

Eligibility requirements ¹	All employees	Professional, technical, and related employees	Clerical and sales employees	Blue-collar and service employees
Number (in thousands) with defined benefit plan	16,015	4,405	3,939	7,671
	Percent			
Total with defined benefit plan ..	100	100	100	100
Plan participation available to new employees	100	100	100	100
With minimum age and/or service requirement	66	67	79	59
Service requirement only	26	25	23	28
3 months and less	2	1	1	3
4 - 5 months	2	(²)	1	3
6 months	3	1	1	4
1 year	19	22	20	18
13 - 23 months	(²)	(²)	-	1
2 years	(²)	(²)	(²)	(²)
Age 20 or less	3	1	2	5
No service requirement	(²)	1	(²)	(²)
1 - 11 months	(²)	(²)	(²)	(²)
1 year	3	(²)	1	4
Age 21 ³	37	40	53	26
No service requirement	4	1	5	5
1 - 11 months	3	3	3	2
1 year	30	36	45	19
Over 1 year	(²)	-	(²)	(²)
Age 22 and over	1	1	1	1
1 - 11 months	(²)	(²)	(²)	(²)
1 year	1	1	1	(²)
Over 1 year	(²)	(²)	-	(²)
No minimum age or service requirement	34	33	21	41
	Average ⁴			
Average service requirement (in months)	11.2	11.4	11.4	10.8

¹ Excludes administrative time lags.

² Less than 0.5 percent.

³ The Internal Revenue Code requires that nearly all plans must allow participation to full-time employees who have reached the age of 21 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.

⁴ The average is presented for all covered workers; averages exclude workers without the plan provision.

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 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.

This chapter examines details of defined contribution plans, including:

- Types of defined contribution plans available;
- Provisions, such as contributions and distributions, associated with several types of plans; and
- Pretax arrangements, known as 401(k) plans, and their unique features.

Since 1975, when the Employee Retirement Income Security Act (ERISA) became effective, the number of participants in private defined contribution plans has risen steadily, while the number of participants in defined benefit plans has increased only slightly. Most of the recent participation growth in defined contribution plans is occurring in new plans, particularly in 401(k) type plans, which offer cash or tax-deferred options on currently taxable compensation.³²

Defined contribution plans are primarily designed to provide retirement benefits. Most retirement plans do not allow withdrawal of employer contributions until retirement age, death, disability, separation from service, age 59½, or hardship. However, some plans may 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.³³ Nevertheless, these defined contribution plans may also furnish retirement income

because withdrawals of the employer's contributions are voluntary, not mandatory. For purposes of the Employee Benefits Survey, all defined contribution plans are considered retirement plans.

Plan types

Defined contribution plans may be classified by type of plan (table 1). The survey provides data on the following types: Savings and thrift plans, deferred profit-sharing plans, money purchase pension plans, employee stock ownership plans (ESOP's), and stock bonus plans.³⁴ Savings and thrift and money purchase pension plans are more common among white-collar workers, while deferred profit-sharing plans are common among both white-collar and blue-collar workers. Stock plans, however, cover a small portion of employees.

Most participants in defined contribution plans make contributions to their plans. In fact, nearly all savings and thrift plan participants are required to make contributions as a condition of joining the plan, with the employer matching some or all of the employee contribution. In contrast, nearly all participants in private defined benefit plans have all contributions made by the employer.

Employees may receive retirement benefits from defined benefit plans, defined contribution plans, or both. A large number of participants are enrolled in more than one plan. When more than one plan is available, the employer most often provides a defined benefit plan and a savings and thrift plan (table 159).

Another type of plan frequently encountered is a 401(k) plan (named after the applicable section of the Internal Revenue Code). Such plans, also known as cash or deferred arrangements, are usually features of other defined contribution plans that give employees the opportunity to defer income and taxes into the future. The features of these plans are discussed in more detail at the end of this chapter.

³² Data taken from U.S. Department of Labor, Pension and Welfare Benefits Administration, *Private Pension Plan Bulletin*, No. 2, Summer 1993.

³³ Such withdrawals, while permitted by the plan, may trigger current income tax liability and tax penalties for the recipient.

³⁴ Plans that allow the purchase of company stock at below market value (stock purchase plans), or that allow the purchase of stock in the future at a designated price (stock option plans), serve to accumulate financial assets and are considered separate employee benefits in chapter 1. They are not included among the defined contribution plans designed for retirement purposes.

Savings and thrift plans

Savings and thrift plans enroll a large number of employees in medium and large private establishments. Under these plans, employees may contribute a predetermined portion of earnings (usually pretax) to an account, all or part of which the employer matches (table 160). 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 participants to borrow funds from their account. Also many savings and thrift plans allow participants to transfer or "roll over" amounts received from a plan of a former employer (table 161). Such a rollover continues the tax deferral on money that had been sheltered from taxes before the terminated employee received it.

Employee contributions. (See tables 162-164.) Savings and thrift plans allow employees to choose from a range of contribution rates. A plan, for example, might allow employee contributions of any amount from 5 to 20 percent of pay. Maximum contributions are commonly 10, 15, and 16 percent.

The ability to make employee contributions on a pretax basis, known as salary reduction, has, after only a few years, become a dominant feature of savings and thrift plans. Nearly all participants in savings and thrift plans are allowed to make pretax contributions.

The provisions governing pretax contributions vary widely. For example, many participants in plans allowing pretax contributions are allowed to make only pretax contributions; some have an option to make either pretax or posttax contributions; and others must 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 tax penalties.

Employer-matching contributions. (See table 165.) 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, an employer may match half of the employee's

contribution up to the first 6 percent of earnings. Assuming the employee contributes 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, some participants receive matching contribution rates varying by length of service, level of employee contribution, or company profits.³⁵

In some savings and thrift plans, the employer may also provide discretionary profit-sharing contributions to the employee's account (table 166).

Investment decisions. (See tables 167-171.) Most participants in savings and thrift plans can choose how they want their own contributions invested. Investment vehicles offered by these plans include 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 varies from two to seven or more. Employees are nearly always allowed to split their contributions among the various options—typically in multiples of 10 or 25 percent. For example, a participant may choose to invest 50 percent in company stock and 50 percent in government securities. In addition, plans often permit participants to change their investment choices periodically, such as 2 or 4 times per year.

In most cases, employees have less flexibility in how employer contributions are invested. When no choice is allowed, the plan typically specifies that the matching contribution is invested in company stock.

Withdrawals and loans. (See tables 172-179.) Prior to normal payout at retirement, disability, or termination of employment, many participants in savings and thrift plans are allowed to withdraw all or a portion of employer contributions. As withdrawal provisions are canceled or further restricted (typically due to the tax penalties associated with withdrawals), loan provisions (discussed later in this section) have become more available.

Many participants in plans permitting withdrawal of employer contributions are only allowed access to funds for hardship reasons, such as medical or educational expenses. The remaining participants can withdraw employer contributions for any reason.

Withdrawals of employer contributions may also be subject to a variety of other restrictions. For example, some participants who are allowed to make withdrawals can only withdraw part of their employer's contribution.

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

Additionally, some who can make withdrawals have a penalty imposed if they do so. Most commonly, penalties involve suspending employee contributions, and employer matching contributions, for a given period, such as 6 months or 1 year. Other penalties include 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, the availability of which has risen steadily in recent years. Loans usually have to be repaid within 5 years, but longer payment periods may apply for home purchase or renovation loans.

Interest rates on employee loans are typically determined by a specific economic indicator (such as the prime rate or U.S. Treasury bill rate), are at the discretion of the plan sponsor (employer, employer association, or union), or vary by the reason for the loan. In the last case, loans for the purchase of a home are often available at lower rates than other loans.

Distribution. (See table 180.) At retirement, savings and thrift plans virtually always allow for payout in the form of a lump sum. Many participants can choose from among a lump sum and other options, such as a lifetime annuity or installments over a specified period.

Participation requirements. (See table 181.) Minimum age and/or service requirements are frequently imposed on new participants in savings and thrift plans. To begin accumulating benefits, a large majority of savings and thrift plan participants must complete a minimum amount of service, commonly 1 year, but usually are not required to be a designated minimum age.

Vesting. (See table 182.) Saving and thrift plans are subject to the same vesting rules under the Employee Retirement Income Security Act as defined benefit plans. Vesting schedules vary significantly, however, between defined benefit and savings and thrift plans. All vesting schedules apply to employer contributions; employee contributions (including pretax contributions) are always 100-percent vested.

Immediate full vesting is often provided in savings and thrift plans. In addition, graduated vesting, in which an employee's nonforfeitable percentage increases over time until it reaches 100 percent, commonly after 5 or 7 years, applies to a large number of participants in savings and thrift plans. In contrast, few defined benefit plan participants have either immediate full vesting or graduated vesting.

"Cliff" vesting, in which no vesting occurs until an employee satisfies the service requirements for 100-percent vesting, is more common in defined benefit

plans than in savings and thrift plans. Savings and thrift plan participants covered under a cliff vesting schedule are usually 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 2 years—applies to few saving and thrift plan participants.

Deferred profit-sharing plans

Deferred profit-sharing plans, although not as widespread as savings and thrift plans, are available to a significant number of employees. Most deferred profit-sharing plans hold money in employee accounts until retirement or another condition stipulated by the plan (for example, disability or death). In some plans, however, the employee may have a choice to receive a portion of the profits in cash, with the remainder placed in a deferred account.³⁶

Many participants in deferred profit-sharing plans have 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 are in plans in which the employer determines its contribution at its own discretion (table 183).

Once the employer contribution is determined, the plan may allocate it to individual participants in a number of ways (table 184). A common method of allocation is as a proportion of salary. Other allocation methods include formulas based on earnings and service, participants' contributions as a percentage of total contributions, and equal allocations to all participants. Plan features, such as loans and withdrawals from employee accounts, are seldom available to participants in deferred profit-sharing plans (table 185).

Deferred profit-sharing plans may allow employees to contribute to their plan as a means of increasing the value of their account. However, it is infrequent for employees to be required to contribute to such plans. Plans typically give employees only limited opportunities to make investment choices. Plan participation and vesting requirements tend to be similar to those found in saving and thrift plans (tables 186-187).

Money purchase pension plans

Another type of defined contribution plan, available to a small percent of full-time employees in medium and large private establishments, is a money purchase

³⁶ Profit-sharing plans that pay benefits directly to the participants in cash are not considered defined contribution plans; they are reported in chapter 1.

pension plan. These plans accumulate funds through a fixed contribution to accounts set up for each employee. Typically, employer contributions are a percent of employee salary, such as 3 percent per year. These contributions, plus earnings, are available at retirement. In general, employee contributions are neither required nor allowed, employees do not participate in investment decisions, and accounts may not be accessed—by either withdrawal or loan—prior to retirement.

These plans are referred to as pension plans because they often provide a periodic payment to employees at retirement. This is accomplished by using the funds accumulated in each employee's account to purchase an annuity—often from an insurance company—that guarantees a periodic payment for life. Other payment arrangements may be available, though, including a lump sum or series of installments.

Stock plans

Two types of stock plans are considered defined contribution plans—stock bonus plans and employee stock ownership plans.³⁷ A stock bonus plan specifies employer or employee and employer contributions to a trust fund that invests in various securities. Employee stock ownership plans (ESOP's), however, are generally wholly employer financed and must be designed to invest primarily in company stock. ESOP's may be used as the means by which employees purchase their own company, with stock distributed to individual employee accounts periodically as loans used to finance the purchase are repaid.

Both types of stock plans make benefit distributions in either company stock or cash. Stock plans are found infrequently among full-time employees in medium and large private establishments.

Cash or deferred arrangements

Plans with a cash or deferred arrangement enroll many employees within the scope of the survey.³⁸ These arrangements, also known as 401(k) plans, allow participants to choose between receiving currently

³⁷ Stock purchase plans and stock option plans are considered separate employee benefits and are discussed in chapter 1.

³⁸ For 401(k) plans with no employer contribution, participants are those workers actually making pretax contributions. For other plans, participants are those workers in plans offering cash or deferred arrangements, whether or not workers actually made pretax contributions.

taxable income or deferring taxation by placing the money in a retirement account. Cash or deferred arrangements usually take the form of either salary reduction plans or deferrals of profit-sharing allocations.

Salary reduction plans allow employees to contribute a part of their earnings to a retirement plan, and defer income taxes on those contributions and their earnings until distribution (table 188). Such contributions are referred to as "employee elective deferrals" or "pretax contributions."

Salary reduction features, more common among white-collar employees than among blue-collar employees, are available through several types of defined contribution plans. The most frequently observed vehicle for salary reduction is a savings and thrift plan. The remainder generally 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.

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 are infrequent.

In addition to data on provisions of individual defined contribution plans, information is also available on the provisions of 401(k) salary reduction plans that include employer contributions. The following provisions (tables 189-195) are examined:

- Plan participation requirements;
- Investment choices;
- Vesting schedules;
- Transfer or rollover of distribution;
- Availability of withdrawals and loans; and
- Distributions at retirement.

The growth of 401(k) plans has helped to expand the defined contribution plan as a savings vehicle for retirement. Unlike some defined contribution plans, such as money purchase plans, 401(k) plans generally require employee contributions as a condition of participation and then require the individual employee to decide how much pay to save. Finally, the participant must determine where to invest the aggregated funds, including matching employer contributions, to enhance retirement income.

Table 159. Retirement plans: Participation in combinations of plans, full-time employees, medium and large private establishments, 1993 (in percent)

Type of plan	All employees	Professional, technical, and related employees	Clerical and sales employees	Blue-collar and service employees
Total with defined benefit pension	100	100	100	100
With:				
No other plan	55	40	46	67
Savings and thrift plan	31	43	38	20
Deferred profit sharing plan	5	4	5	5
Savings and thrift and deferred profit sharing	1	1	1	1
Money purchase pension	3	3	2	3
Other combinations	6	9	7	4
Total with savings and thrift	100	100	100	100
With:				
No other plan	18	13	14	26
Defined benefit pension	59	64	60	53
Deferred profit sharing plan	9	7	11	9
Defined benefit pension and deferred profit sharing	2	1	2	3
Money purchase pension	4	6	5	3
Other combinations	8	9	8	6
Total with deferred profit sharing	100	100	100	100
With:				
No other plan	46	40	46	49
Defined benefit pension	20	20	17	22
Savings and thrift	19	23	22	15
Defined benefit pension and savings and thrift	5	2	4	6
Money purchase pension	2	3	2	2
Other combinations	8	12	9	6

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

Table 160. Savings and thrift plans: Summary of provisions, full-time employees, medium and large private establishments, 1993

Item	All employees	Professional, technical, and related employees	Clerical and sales employees	Blue-collar and service employees
Number (in thousands) with savings and thrift plans	8,284	2,933	2,470	2,880
	Percent			
Total with savings and thrift plans	100	100	100	100
Pre-tax contributions allowed	99	100	99	98
Transfer/rollover contributions allowed	51	53	52	47
Employee choice of investments for employee contributions	86	88	87	84
Employee choice of investments for employer contributions	58	59	61	55
Immediate full vesting	34	34	34	33
Loans permitted	48	48	48	49
Withdrawals permitted	47	45	51	45

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

Table 161. Savings and thrift plans: Transfer and rollover provisions,¹ full-time employees, medium and large private establishments, 1993

Item	All employees	Professional, technical, and related employees	Clerical and sales employees	Blue-collar and service employees
Number (in thousands) with savings and thrift plans	8,284	2,933	2,470	2,880
	Percent			
Total with savings and thrift plans	100	100	100	100
Transfers/rollovers allowed	51	53	52	47
Transfers/rollovers not allowed	43	43	43	42
Not determinable	7	4	4	11

¹ Relates to the allowance of transfers/rollovers of contributions and earnings from the previous employer's plan.

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

Table 162. Savings and thrift plans: Maximum employee contributions,¹ full-time employees, medium and large private establishments, 1993

Maximum employee contributions	All employees	Professional, technical, and related employees	Clerical and sales employees	Blue-collar and service employees
Number (in thousands) with savings and thrift plans	8,284	2,933	2,470	2,880
	Percent			
Total with savings and thrift plans	100	100	100	100
Percent of employee earnings				
5 percent or less	92	89	93	94
6 percent	2	2	2	3
7 percent	2	1	1	1
8 percent	1	(²)	1	3
8.01 - 8.99 percent	(²)	(²)	(²)	(²)
9 percent	2	4	1	2
10 percent	14	10	16	15
11 percent	1	(²)	1	1
12 percent	8	9	8	8
12.01 - 12.99 percent	(²)	(²)	1	-
13 percent	3	4	2	4
14 percent	5	5	6	4
15 percent	21	20	24	18
16 percent	18	19	21	15
17 percent	4	4	3	6
17.01 - 17.99 percent	(²)	(²)	(²)	-
18 percent	3	3	2	3
18.01 - 18.99 percent	(²)	(²)	-	(²)
19 percent	(²)	1	(²)	(²)
20 percent	4	3	3	5
20.01 - 24.99 percent	1	1	1	1
25 percent or more	1	1	(²)	2
Specified dollar amount	2	3	2	1
Up to the Internal Revenue Code limit	6	8	5	5
	Average ³			
Average maximum contribution (percent of earnings)	13.8	14.0	13.7	13.7

¹ Includes contributions that are not matched by the employer. If maximum contributions vary, such as by length of service, the highest possible contribution was tabulated.

² Less than 0.5 percent.

³ The average is presented for all covered workers; averages exclude workers without the plan provision.

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

Table 163. Savings and thrift plans: Method of determining pretax contribution, full-time employees, medium and large private establishments, 1993

Pretax contributions	All employees	Professional, technical, and related employees	Clerical and sales employees	Blue-collar and service employees
Number (in thousands) with savings and thrift plans	8,284	2,933	2,470	2,880
	Percent			
Total with savings and thrift plans	100	100	100	100
Pretax contributions allowed	99	100	99	98
All contributions must be pretax	56	56	54	57
All contributions may be pretax	29	29	33	24
Contributions up to specified percent may be pretax	11	11	9	11
Initial contributions must be pretax; additional contributions can not be pretax	3	3	2	5
Initial contributions must be pretax; all additional contributions may be pretax	1	(¹)	1	1
Initial contributions must be pretax; additional contributions up to a specified percent may be pretax	(¹)	(¹)	(¹)	(¹)
No pretax contributions allowed	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 164. Savings and thrift plans: Maximum pretax employee contributions,¹ full-time employees, medium and large private establishments, 1993

Maximum pretax contributions	All employees	Professional, technical, and related employees	Clerical and sales employees	Blue-collar and service employees
Number (in thousands) with savings and thrift plans that allow pretax contributions ...	8,198	2,920	2,457	2,821
	Percent			
Total with savings and thrift plans that allow pretax contributions	100	100	100	100
Percent of employee earnings	92	89	93	94
5 percent or less	3	3	2	2
6 percent	4	4	3	5
7 percent	1	1	1	1
8 percent	3	2	3	5
8.01 - 8.99 percent	(²)	(²)	(²)	(²)
9 percent	3	4	2	3
10 percent	19	16	21	21
11 percent	1	1	1	2
12 percent	8	8	7	8
12.01 - 12.99 percent	(²)	(²)	1	-
13 percent	2	2	(²)	3
14 percent	4	4	6	3
15 percent	20	20	24	17
16 percent	16	16	19	13
17 percent	3	3	2	4
17.01 - 17.99 percent	(²)	(²)	(²)	-
18 percent	1	1	(²)	2
18.01 - 18.99 percent	(²)	(²)	-	(²)
20 percent	2	2	1	3
20.01 - 24.99 percent	(²)	(²)	(²)	(²)
25 percent or more	(²)	1	-	(²)
Specified dollar amount	2	3	2	1
Up to the Internal Revenue Code limit	6	8	5	5
	Average ³			
Average maximum pretax contribution (percent of earnings)	12.8	12.9	13.0	12.5

¹ Includes contributions that are not matched by the employer. If maximum contributions vary, such as by length of service, the highest possible contribution was tabulated.

² Less than 0.5 percent.

³ The average is presented for all covered workers; averages exclude workers without the plan provision.

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

Table 165. Savings and thrift plans: Employer matching contributions, full-time employees, medium and large private establishments, 1993

Employee contribution to be matched ¹	Total	Employer matching rate								
		Specified matching percentage					Varies by service	Varies by amount of contribution	Varies by investment choice	Varies by profit level
		Total	1 - 49 percent	50 percent	51 - 99 percent	100 percent				
Percent										
All employees										
Total with savings and thrift plans	100	82	17	35	9	19	4	7	2	5
Up to the first:										
0.01 - 2.00 percent	4	4	(²)	1	-	3	(²)	-	-	(²)
2.01 - 3.00 percent	12	10	1	3	(²)	6	(²)	1	-	(²)
3.01 - 4.00 percent	12	9	3	4	1	2	(²)	1	-	1
4.01 - 5.00 percent	12	11	4	2	(²)	4	(²)	1	(²)	(²)
5.01 - 6.00 percent	46	35	7	18	6	4	2	3	2	4
6.01 - 7.00 percent	4	4	1	2	-	1	(²)	-	-	-
7.01 - 8.00 percent	4	3	-	1	1	(²)	(²)	1	-	-
8.01 - 9.00 percent	2	2	-	-	1	(²)	(²)	-	-	-
9.01 - 10.00 percent	3	3	1	2	-	(²)	(²)	(²)	-	-
11.01 - 12.00 percent	1	1	1	-	-	-	-	-	-	-
Greater than 12 percent	1	1	(²)	1	-	(²)	-	-	-	-
Professional, technical, and related										
Total with savings and thrift plans	100	82	17	33	9	20	4	5	2	6
Up to the first:										
0.01 - 2.00 percent	3	3	(²)	1	-	2	-	-	-	-
2.01 - 3.00 percent	13	12	(²)	3	(²)	7	1	(²)	-	(²)
3.01 - 4.00 percent	11	9	2	5	1	2	(²)	1	-	(²)
4.01 - 5.00 percent	13	11	5	2	(²)	4	(²)	1	(²)	(²)
5.01 - 6.00 percent	46	33	7	18	5	4	3	3	2	5
6.01 - 7.00 percent	4	4	(²)	2	-	1	(²)	-	-	-
7.01 - 8.00 percent	5	5	-	2	2	(²)	(²)	(²)	-	-
8.01 - 9.00 percent	2	2	-	-	2	(²)	(²)	(²)	-	-
9.01 - 10.00 percent	2	2	1	(²)	-	-	(²)	(²)	-	-
11.01 - 12.00 percent	1	1	1	-	-	-	-	-	-	-
Greater than 12 percent	1	1	(²)	1	-	(²)	-	-	-	-
Clerical and sales										
Total with savings and thrift plans	100	82	14	39	11	18	4	6	3	6
Up to the first:										
0.01 - 2.00 percent	4	4	(²)	2	-	2	(²)	-	-	(²)
2.01 - 3.00 percent	10	10	1	3	(²)	6	(²)	(²)	-	(²)
3.01 - 4.00 percent	11	9	2	5	(²)	2	(²)	1	-	1
4.01 - 5.00 percent	11	9	3	3	(²)	3	(²)	1	(²)	(²)
5.01 - 6.00 percent	54	41	7	22	8	4	3	3	2	4
6.01 - 7.00 percent	3	2	1	1	-	1	(²)	-	-	-
7.01 - 8.00 percent	3	2	-	1	(²)	(²)	(²)	1	-	-
8.01 - 9.00 percent	2	2	-	-	2	(²)	(²)	-	-	-
9.01 - 10.00 percent	2	2	(²)	1	-	(²)	(²)	-	-	-

See footnotes at end of table.

Table 165. Savings and thrift plans: Employer matching contributions, full-time employees, medium and large private establishments, 1993 — Continued

Employee contribution to be matched ¹	Employer matching rate									
	Total	Specified matching percentage					Varies by service	Varies by amount of contribution	Varies by investment choice	Varies by profit level
		Total	1 - 49 percent	50 percent	51 - 99 percent	100 percent				
Percent										
Clerical and sales										
Total with savings and thrift plans										
Up to the first:										
Greater than 12 percent	1	1	(²)	1	-	(²)	-	-	-	-
Blue-collar and service										
Total with savings and thrift plans	100	81	19	35	8	18	4	10	2	3
Up to the first:										
0.01 - 2.00 percent	6	5	(²)	(²)	-	4	1	-	-	(²)
2.01 - 3.00 percent	12	10	(²)	4	-	5	(²)	2	-	-
3.01 - 4.00 percent	13	10	3	3	1	1	(²)	3	-	(²)
4.01 - 5.00 percent	13	11	5	3	(²)	3	1	1	(²)	(²)
5.01 - 6.00 percent	40	32	7	17	5	4	1	2	2	3
6.01 - 7.00 percent	5	5	1	2	-	1	(²)	-	-	-
7.01 - 8.00 percent	4	1	-	1	(²)	(²)	1	2	-	-
8.01 - 9.00 percent	1	1	-	-	1	(²)	-	-	-	-
9.01 - 10.00 percent	5	5	(²)	4	-	(²)	(²)	(²)	-	-
11.01 - 12.00 percent ...	1	1	1	-	-	-	-	-	-	-
Greater than 12 percent	(²)	(²)	(²)	-	-	(²)	-	-	-	-

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 maximum contributions vary, such as by length of service, the highest possible contribution 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 166. Savings and thrift plans: Discretionary profit-sharing contributions,¹ full-time employees, medium and large private establishments, 1993

Item	All employees	Professional, technical, and related employees	Clerical and sales employees	Blue-collar and service employees
Number (in thousands) with savings and thrift plans	8,284	2,933	2,470	2,880
	Percent			
Total with savings and thrift plans	100	100	100	100
With discretionary profit-sharing contributions	12	11	11	14
No discretionary profit-sharing contributions	88	89	89	86
Not determinable	(²)	(²)	(²)	(²)

¹ Employer contributions in addition to matching funds, provided at employer discretion based on profitability.

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 167. Savings and thrift plans: Investment choices, full-time employees, medium and large private establishments, 1993

Investment choices	All employees		Professional, technical, and related employees		Clerical and sales employees		Blue-collar and service employees	
	Employee contributions	Employer contributions	Employee contributions	Employer contributions	Employee contributions	Employer contributions	Employee contributions	Employer contributions
Number (in thousands) with savings and thrift plans	8,284	8,284	2,933	2,933	2,470	2,470	2,880	2,880
	Percent							
Total with savings and thrift plans	100	100	100	100	100	100	100	100
Employee permitted to choose investments	86	58	88	59	87	61	84	55
Two choices	12	7	8	6	7	4	19	11
Three choices	21	13	21	12	24	17	19	11
Four choices	30	17	31	17	32	19	26	17
Five choices	15	13	16	14	17	15	13	11
Six choices	3	3	4	3	3	2	3	3
Seven or more choices	6	5	8	7	4	4	5	3
Employee not permitted to choose investments	7	35	6	35	7	33	8	38
Not determinable	7	7	6	6	7	6	8	7

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

Table 168. Savings and thrift plans: Types of investments allowed, full-time employees, medium and large private establishments, 1993

Investment	All employees		Professional, technical, and related employees		Clerical and sales employees		Blue-collar and service employees	
	Employee contributions	Employer contributions	Employee contributions	Employer contributions	Employee contributions	Employer contributions	Employee contributions	Employer contributions
Number (in thousands) with savings and thrift plans	8,284	8,284	2,933	2,933	2,470	2,470	2,880	2,880
	Percent							
Total with savings and thrift plans	100	100	100	100	100	100	100	100
Company stock	43	49	46	50	45	49	40	48
Common stock fund	68	49	70	51	70	52	66	46
Long-term interest bearing securities	42	28	45	31	41	29	38	26
Diversified stock and bond fund	42	33	44	36	44	34	37	29
Government securities	23	14	26	15	22	15	20	13
Guaranteed investment contracts	43	30	42	28	44	32	43	31
Money market funds	26	20	28	24	25	19	25	16
Certificates of deposit	1	1	1	1	1	1	(¹)	(¹)
Other ²	6	6	7	7	7	8	3	4
Not determinable	3	3	4	4	2	2	3	3

¹ Less than 0.5 percent.

² Includes purchase of life insurance, annuities, real estate, mortgage, and deposits in credit unions or savings accounts.

NOTE: Sums of individual items do not equal totals because employees are often offered a number of investment choices. Where applicable, dash indicates no employees in this category.

Table 169. Savings and thrift plans: Types of investments allowed in plans permitting employees to choose investments, full-time employees, medium and large private establishments, 1993

Investment	All employees		Professional, technical, and related employees		Clerical and sales employees		Blue-collar and service employees	
	Employee contributions	Employer contributions	Employee contributions	Employer contributions	Employee contributions	Employer contributions	Employee contributions	Employer contributions
Number (in thousands) with savings and thrift plans with employee investment choice	7,139	4 818	2,574	1,739	2,143	1,502	2,422	1,577
	Percent							
Total with savings and thrift plans with employee investment choice	100	100	100	100	100	100	100	100
Company stock	48	38	50	37	50	39	45	38
Common stock fund	79	84	80	84	80	84	78	83
Long-term interest bearing securities	48	47	51	50	47	46	45	46
Diversified stock and bond fund	48	55	51	59	50	55	44	53
Government securities	26	25	29	25	25	25	24	24
Guaranteed investment contracts	49	48	46	44	50	50	50	51
Money market funds	30	33	32	39	29	30	30	29
Certificates of deposit	1	1	1	1	2	2	(¹)	(¹)
Other ²	7	10	7	12	8	13	4	6
Not determinable	3	4	4	6	2	3	3	4

¹ Less than 0.5 percent.

² Includes purchase of life insurance, annuities, real estate, mortgage, and deposits in credit unions or savings accounts.

NOTE: Sums of individual items do not equal totals because employees are often offered a number of investment choices. Where applicable, dash indicates no employees in this category.

Table 170. Savings and thrift plans: Method of allocating contributions to investment options in plans permitting employees to choose investments, full-time employees, medium and large private establishments, 1993

Item	All employees		Professional, technical, and related employees		Clerical and sales employees		Blue-collar and service employees	
	Employee contributions	Employer contributions	Employee contributions	Employer contributions	Employee contributions	Employer contributions	Employee contributions	Employer contributions
Number (in thousands) with savings and thrift plans with employee investment choice	7,139	4,818	2,574	1,739	2,143	1,502	2,422	1,577
	Percent							
Total with savings and thrift plans with employee investment choice	100	100	100	100	100	100	100	100
Any multiple	30	34	32	39	26	29	32	34
Specified multiples	64	61	63	56	70	67	60	60
Other	(¹)	(¹)	(¹)	(¹)	(¹)	(¹)	-	-
Not determinable	5	5	5	5	4	3	8	6

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 171. Savings and thrift plans: Frequency of investment changes in plans permitting employees to choose investments, full-time employees, medium and large private establishments, 1993

Item	All employees		Professional, technical, and related employees		Clerical and sales employees		Blue-collar and service employees	
	Employee contributions	Employer contributions	Employee contributions	Employer contributions	Employee contributions	Employer contributions	Employee contributions	Employer contributions
Number (in thousands) with savings and thrift plans with employee investment choice	7,139	4,818	2,574	1,739	2,143	1,502	2,422	1,577
	Percent							
Total with savings and thrift plans with employee investment choice	100	100	100	100	100	100	100	100
At any time	29	32	35	42	29	29	23	24
Specified number of times								
per year	65	63	59	53	67	68	68	69
One	5	4	5	5	3	3	5	3
Two	16	15	15	12	19	20	14	13
Four	35	34	30	24	37	35	39	44
Five or more	9	10	10	11	7	9	10	10
Other	2	1	1	1	1	1	2	3
Never	-	(¹)	-	(¹)	-	(¹)	-	(¹)
Not determinable	5	4	4	5	3	3	6	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 172. Savings and thrift plans: Withdrawal availability, full-time employees, medium and large private establishments, 1993

Withdrawal provision	All employees	Professional, technical, and related employees	Clerical and sales employees	Blue-collar and service employees
Number (in thousands) with savings and thrift plans	8,284	2,933	2,470	2,880
	Percent			
Total with savings and thrift plans	100	100	100	100
Withdrawals permitted	47	45	51	45
Any reason	29	31	32	26
Hardship reasons only ¹	18	15	19	19
Withdrawals not permitted	51	51	46	54
Data not available	3	3	3	1

¹ Hardship reasons may include death or illness of a family member, education expenses, sudden uninsured losses, or purchase of a primary residence.

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

Table 174. Savings and thrift plans: Maximum amount that may be withdrawn in plans permitting withdrawals, full-time employees, medium and large private establishments, 1993

Maximum amount of withdrawal	All employees	Professional, technical, and related employees	Clerical and sales employees	Blue-collar and service employees
Number (in thousands) with savings and thrift plans with withdrawals permitted	3,880	1,332	1,253	1,295
	Percent			
Total with savings and thrift plans with withdrawals permitted	100	100	100	100
Full account balance	62	60	62	64
Partial account balance	36	37	37	35
Not determinable	2	2	1	1

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

Table 173. Savings and thrift plans: Withdrawal requirements in plans permitting withdrawals, full-time employees, medium and large private establishments, 1993

Item	All employees	Professional, technical, and related employees	Clerical and sales employees	Blue-collar and service employees
Number (in thousands) with savings and thrift plans with withdrawals permitted	3,880	1,332	1,253	1,295
	Percent			
Total with savings and thrift plans with withdrawals permitted	100	100	100	100
At any time	36	36	30	43
After meeting an age and/or service requirement	40	36	46	37
Once per time period	21	23	21	19
Other limit	2	2	2	1
Not determinable	1	2	1	1

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

Table 175. Savings and thrift plans: Penalties imposed upon withdrawal of funds in plans permitting withdrawals, full-time employees, medium and large private establishments, 1993

Penalties for withdrawals	All employees	Professional, technical, and related employees	Clerical and sales employees	Blue-collar and service employees
Number (in thousands) with savings and thrift plans with withdrawals permitted	3,880	1,332	1,253	1,295
	Percent			
Total with savings and thrift plans with withdrawals permitted	100	100	100	100
With penalty	30	30	32	29
Employer contributions suspended	11	17	10	6
All contributions suspended	18	13	22	21
Other	1	1	1	2
No penalty	65	65	65	65
Not determinable	4	4	3	7

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

Table 176. Savings and thrift plans: Loan availability, full-time employees, medium and large private establishments, 1993

Loan availability	All employees	Professional, technical, and related employees	Clerical and sales employees	Blue-collar and service employees
Number (in thousands) with savings and thrift plans	8,284	2,933	2,470	2,880
	Percent			
Total with savings and thrift plans	100	100	100	100
Loans permitted	48	48	48	49
Any reason	46	46	45	46
Hardship reasons only ¹	3	2	3	3
Loans not permitted	50	50	50	50
Not determinable	2	2	2	1

¹ Hardship reasons may include death or illness of a family member, education expenses, sudden uninsured losses, or purchase of a primary residence.

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

Table 178. Savings and thrift plans: Maximum amount that may be borrowed in plans permitting loans, full-time employees, medium and large private establishments, 1993

Loan provision	All employees	Professional, technical, and related employees	Clerical and sales employees	Blue-collar and service employees
Number (in thousands) with savings and thrift plans with loans permitted	4,008	1,404	1,185	1,419
	Percent			
Total with savings and thrift plans with loans permitted ..	100	100	100	100
Full account balance available	2	2	2	2
Partial account balance available	96	95	97	94
Not determinable	3	3	1	4

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

Table 177. Savings and thrift plans: Loan requirements in plans permitting loans, full-time employees, medium and large private establishments, 1993

Loan provision	All employees	Professional, technical, and related employees	Clerical and sales employees	Blue-collar and service employees
Number (in thousands) with savings and thrift plans with loans permitted	4,008	1,404	1,185	1,419
	Percent			
Total with savings and thrift plans with loans permitted ..	100	100	100	100
At any time	48	47	37	57
After meeting an age/or service requirement	9	5	15	7
Once per time period	39	42	43	32
Other limit	3	2	4	2
Not determinable	2	4	2	1

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

Table 179. Savings and thrift plans: Repayment provisions in plans permitting loans, full-time employees, medium and large private establishments, 1993

Repayment provisions	All employees	Professional, technical, and related employees	Clerical and sales employees	Blue-collar and service employees
Number (in thousands) with savings and thrift plans with loans permitted	4,008	1,404	1,185	1,419
	Percent			
Total with savings and thrift plans with loans permitted ..	100	100	100	100
Repayment after specified period	90	90	90	90
For purchase of a home ¹ ..	48	52	58	35
Less than 15 years	16	18	19	11
15 - 20 years	16	18	20	11
25 years	2	4	1	1
Greater than 25 years ...	3	4	3	1
Not determinable	11	9	14	11
For any reason	42	37	32	55
Less than 5 years	18	19	12	21
5 years	24	18	20	34
At discretion of plan administrators	(²)	1	(²)	(²)
Not determinable	10	10	10	10

¹ Plan specifies longer repayment period for purchase of a home than for other reasons.

² Less than 0.5 percent.

Table 180. Savings and thrift plans: Methods of distribution, full-time employees, medium and large private establishments, 1993

Methods of distribution ¹	All employees	Professional, technical, and related employees	Clerical and sales employees	Blue-collar and service employees
Number (in thousands) with savings and thrift plans	8,284	2,933	2,470	2,880
	Percent			
Total with savings and thrift plans	100	100	100	100
Lump sum	98	97	98	98
Annuity	30	30	28	32
Installments	48	46	45	53
Other	1	1	(²)	(²)
Not determinable	1	1	(²)	(²)

¹ Sums of individual items may exceed totals because plans frequently permit more than one distribution option.

² Less than 0.5 percent.

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

Table 181. Savings and thrift plans: Eligibility requirements, full-time employees, medium and large private establishments, 1993

Eligibility requirements ¹	All employees	Professional, technical, and related employees	Clerical and sales employees	Blue-collar and service employees
Number (in thousands) with savings and thrift plans	8,284	2,933	2,470	2,880
	Percent			
Total with savings and thrift plans	100	100	100	100
With minimum age and/or service requirement	81	74	88	82
Service requirement only ..	55	53	56	55
3 months	6	6	4	8
6 months	8	10	8	6
1 year	38	35	42	37
2 years	1	1	1	2
3 years	1	1	1	1
Age 20 or less	8	5	10	11
No service requirement	1	1	1	3
1 - 11 months	2	2	2	3
1 year	5	2	7	6
Age 21	18	16	22	16
No service requirement	1	1	(²)	(²)
1 - 11 months	2	2	3	3
1 year	14	12	19	12
Over 1 year	1	1	1	1
Age 22 or over	(²)	(²)	(²)	(²)
1 year	(²)	(²)	(²)	(²)
No minimum age or service requirement	17	24	11	16
Not determinable	2	2	1	3
	Average ³			
Average service requirement (in months)	10.8	10.4	11.1	10.9

¹ If a plan had alternate eligibility requirements, one of which was service only, the service only requirement was tabulated.

² Less than 0.5 percent.

³ The average is presented for all covered workers; averages exclude workers without the plan provision.

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

Table 182. Savings and thrift plans: Vesting provisions, full-time employees, medium and large private establishments, 1993

Vesting provision	All employees	Professional, technical, and related employees	Clerical and sales employees	Blue-collar and service employees
Number (in thousands) with savings and thrift plans	8,284	2,933	2,470	2,880
	Percent			
Total with savings and thrift plans	100	100	100	100
Immediate full vesting	34	34	34	33
Cliff vesting ¹	29	27	25	35
With full vesting after:				
1-2 years	2	3	2	3
3-4 years	9	8	8	11
5 years	18	16	15	21
More than 5 years	(²)	-	(²)	-
Graduated vesting ³	33	34	38	28
With full vesting after:				
4 years or less	5	5	8	1
5 years	18	18	21	14
6 years	5	5	5	5
7 years	5	6	3	7
10 years	(²)	-	-	1
Class years vesting ⁴	2	3	2	1
With each class vested after:				
2 years	2	3	1	(²)
More than 3 years	(²)	(²)	(²)	1
Other	(²)	(²)	(²)	(²)
Not determinable	2	2	1	2

¹ Under cliff vesting, an employee is not entitled to any benefits until satisfying requirements for 100 percent vesting.

² Less than 0.5 percent.

³ Under graduated vesting, an employee's rights to benefits increase with length of service, eventually reaching 100 percent.

⁴ Under class year vesting, employee contributions for a given year (class) become nonforfeitable after meeting vesting requirements. Subsequent contributions must meet similar requirements.

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

Table 183. Deferred profit-sharing plans: Employer contributions, full-time employees, medium and large private establishments, 1993

Employer contributions	All employees	Professional, technical, and related employees	Clerical and sales employees	Blue-collar and service employees
Number (in thousands) with deferred profit-sharing plans	3,777	939	1,209	1,629
	Percent			
Total with deferred profit-sharing plans	100	100	100	100
Based on stated formula	40	34	40	44
Fixed percent of profits	9	7	6	12
Based on stockholder dividends	2	1	1	2
Based on unit profitability	3	4	3	3
Fixed percent of profits in excess of reserved amount	2	1	(¹)	3
Sliding percentage based on profits, sales, or return on assets	15	13	23	10
Other stated formula	10	8	6	14
No predetermined formula	60	66	59	56
Data not available	(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 184. Deferred profit-sharing plans: Allocation of employer contributions to individual employee accounts, full-time employees, medium and large private establishments, 1993

Allocation of employer contributions	All employees	Professional, technical, and related employees	Clerical and sales employees	Blue-collar and service employees
Number (in thousands) with deferred profit-sharing plans	3,777	939	1,209	1,629
	Percent			
Total with deferred profit-sharing plans	100	100	100	100
Equally to all participants	7	7	6	7
Proportional to earnings	52	59	50	50
Proportional to employee contributions	19	15	26	15
Based on earnings and service	11	6	9	15
Based on earnings and unit performance	2	3	1	2
Other allocation formula	(¹)	1	(¹)	(¹)
Allocation formula not available	9	10	8	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 185. Deferred profit-sharing plans: Selected plan features, full-time employees, medium and large private establishments, 1993

Item	All employees	Professional, technical, and related employees	Clerical and sales employees	Blue-collar and service employees
Number (in thousands) with deferred profit-sharing plans	3,777	939	1,209	1,629
	Percent			
Total with deferred profit-sharing plans	100	100	100	100
Loans permitted	23	21	19	26
Withdrawals permitted	21	18	20	24
Employee contributions required	23	19	28	22
Employee contributions not required but allowed	13	16	15	10
Pretax contributions allowed	28	27	37	22
Employee permitted to choose investments	48	56	51	42

Table 186. Deferred profit-sharing: Eligibility requirements, full-time employees, medium and large private establishments, 1993

Eligibility requirements ¹	All employees	Professional, technical, and related employees	Clerical and sales employees	Blue-collar and service employees
Number (in thousands) with deferred profit-sharing plans	3,777	939	1,209	1,629
	Percent			
Total with deferred profit-sharing plans	100	100	100	100
With minimum age and/or service requirement	93	93	92	94
Service requirement only ..	54	54	54	53
3 months	4	2	2	6
6 months	9	9	16	5
1 year	37	42	33	38
2 years	3	2	2	5
3 years	(²)	-	(²)	(²)
Age 20 or less	9	10	10	8
No service requirement	1	1	2	(²)
1 - 11 months	4	7	4	2
1 year	4	2	4	6
Age 21	31	29	28	33
1 - 11 months	4	4	3	5
1 year	26	25	25	28
Age 22 or over	(²)	-	1	-
1 year	(²)	-	1	-
No minimum age or service requirement	6	6	7	4
Not determinable	1	1	1	2
	Average ³			
Average service requirement (in months)	10.9	10.6	10.6	11.3

¹ If a plan had alternate eligibility requirements, one of which was service only, the service only requirement was tabulated.

² Less than 0.5 percent.

³ The average is presented for all covered workers; averages exclude workers without the plan provision.

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

Table 187. Deferred profit-sharing plans: Vesting provisions, full-time employees, medium and large private establishments, 1993

Vesting provision	All employees	Professional, technical, and related employees	Clerical and sales employees	Blue-collar and service employees
Number (in thousands) with deferred profit-sharing plans	3,777	939	1,209	1,629
	Percent			
Total with deferred profit-sharing plans	100	100	100	100
Immediate full vesting	18	25	14	16
Cliff vesting ¹	21	26	21	19
With full vesting after:				
1-2 years	(²)	(²)	(²)	(²)
3-4 years	6	9	6	3
5 years	15	16	14	15
More than 5 years	(²)	(²)	1	-
Graduated vesting ³	55	46	62	55
With full vesting after:				
4 years or less	2	(²)	1	3
5 years	16	16	24	11
6 years	5	2	6	6
7 years	30	28	29	31
10 years	2	1	1	3
More than 10 years	1	-	(²)	1
Not determinable	6	3	3	10

¹ Under cliff vesting, an employee is not entitled to any benefits until satisfying requirements for 100 percent vesting.

² Less than 0.5 percent.

³ Under graduated vesting, an employee's rights to benefits increase with length of service, eventually reaching 100 percent.

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

Table 188. 401(k) salary reduction plans: Maximum pretax employee contributions,¹ full-time employees, medium and large private establishments, 1993

Maximum pretax contributions	All employees	Professional, technical, and related employees	Clerical and sales employees	Blue-collar and service employees
Number (in thousands) with 401(k) salary reduction plans	10,123	3,531	3,137	3,455
	Percent			
Total with 401(k) pretax salary reduction plans	100	100	100	100
Percent of employee earnings	91	89	92	93
5 percent or less	5	6	4	5
6 percent	4	4	4	5
7 percent	1	1	1	1
8 percent	3	2	2	4
8.01 - 8.99 percent	(²)	(²)	(²)	(²)
9 percent	2	4	1	2
10 percent	19	16	19	21
11 percent	1	1	1	2
12 percent	8	9	7	9
12.01 - 12.99 percent	(²)	(²)	(²)	-
13 percent	2	3	1	3
14 percent	4	4	5	2
15 percent	19	19	22	17
16 percent	16	15	20	13
17 percent	3	3	3	4
17.01 - 17.99 percent	(²)	(²)	(²)	-
18 percent	1	1	(²)	2
18.01 - 18.99 percent	(²)	(²)	-	(²)
19.01 - 19.99 percent	(²)	(²)	(²)	(²)
20 percent	2	2	1	3
20.01 - 24.99 percent	(²)	(²)	(²)	(²)
25 percent or more	(²)	1	-	(²)
Specified dollar amount Up to the Internal Revenue Code limit	7	9	7	6
Not determinable	(²)	(²)	-	(²)
	Average ³			
Average maximum pretax contribution (percent of earnings)	12.5	12.6	12.9	12.2

¹ Includes contributions that are not matched by the employer. If maximum contributions vary, such as by length of service, the highest possible contribution was tabulated.

² Less than 0.5 percent.

³ The average is presented for all covered workers; averages exclude workers without the plan provision.

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

Table 189. 401(k) salary reduction plans: Eligibility requirements, full-time employees, medium and large private establishments, 1993

Eligibility requirements ¹	All employees	Professional, technical, and related employees	Clerical and sales employees	Blue-collar and service employees
Number (in thousands) with 401(k) salary reduction plans	10,123	3,531	3,137	3,455
	Percent			
Total with 401(k) salary reduction plans	100	100	100	100
With minimum age and/or service requirement	81	76	87	82
Service requirement only ..	53	53	54	54
3 months	5	5	3	8
6 months	9	10	11	7
1 year	35	34	37	35
2 years	2	3	1	3
3 years	1	(²)	1	1
Over 3 years	(²)	(²)	-	-
Age 20 or less	7	5	8	9
No service requirement	1	1	1	2
1 - 11 months	2	2	2	2
1 year	4	2	6	5
Age 21	20	17	25	19
No service requirement	1	1	(²)	(²)
1 - 11 months	3	3	3	3
1 year	16	12	22	15
Over 1 year	1	1	1	1
Age 22 or over	(²)	1	(²)	(²)
No service requirement	(²)	(²)	-	-
1 year	(²)	1	(²)	(²)
No minimum age or service requirement	17	22	11	16
Not determinable	2	2	1	2
	Average ³			
Average service requirement (in months)	11.0	11.0	11.1	11.0

¹ If a plan had alternate eligibility requirements, one of which was service only, the service only requirement was tabulated.

² Less than 0.5 percent.

³ The averages are presented for all covered workers; averages exclude workers without the plan provision.

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

Table 190. 401(k) salary reduction plans: Investment choices, full-time employees, medium and large private establishments, 1993

Investment choices for employer contributions	All employees		Professional, technical, and related employees		Clerical and sales employees		Blue-collar and service employees	
	Employee contributions	Employer contributions	Employee contributions	Employer contributions	Employee contributions	Employer contributions	Employee contributions	Employer contributions
Number (in thousands) with 401(k) salary reduction plans	10,123	10,123	3,531	3,531	3,137	3,137	3,455	3,455
	Percent							
Total with 401(k) salary reduction plans	100	100	100	100	100	100	100	100
Employee permitted to choose investments	86	58	88	61	87	59	83	55
Two choices	11	8	8	6	7	5	17	11
Three choices	23	13	20	11	28	17	20	11
Four choices	28	16	30	16	28	16	24	16
Five choices	17	15	19	18	18	15	14	12
Six choices	3	3	4	4	2	2	3	2
Seven or more choices	5	4	7	6	3	3	5	3
Employee not permitted to choose investments	7	35	6	33	7	36	9	37
Not determinable	7	6	6	6	6	5	8	8

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

Table 191. 401(k) salary reduction plans: Vesting provisions, full-time employees, medium and large private establishments, 1993

Vesting provision	All employees	Professional, technical, and related employees	Clerical and sales employees	Blue-collar and service employees
Number (in thousands) with 401(k) salary reduction plans	10,123	3,531	3,137	3,455
	Percent			
Total with 401(k) salary reduction plans	100	100	100	100
Immediate full vesting	34	36	32	33
Cliff vesting ¹	26	25	22	31
With full vesting after:				
1-2 years	2	2	1	2
3-4 years	8	7	7	10
5 years	16	15	13	19
More than 5 years	(²)	(²)	(²)	-
Graduated vesting ³	37	35	44	33
With full vesting after:				
4 years or less	4	4	7	1
5 years	18	18	23	15
6 years	4	4	4	5
7 years	10	9	10	12
10 years	(²)	(²)	(²)	1
Class years vesting ⁴	2	2	1	1
With each class vested after:				
2 years	1	2	1	(²)
More than 3 years	(²)	(²)	(²)	1
Other	(²)	(²)	(²)	(²)
Not determinable	1	2	1	2

¹ Under cliff vesting, an employee is not entitled to any benefits until satisfying requirements for 100 percent vesting.

² Less than 0.5 percent.

³ Under graduated vesting, an employee's rights to benefits increase with length of service, eventually reaching 100 percent.

⁴ Under class year vesting, employee contributions for a given year (class) become nonforfeitable after meeting vesting requirements. Subsequent contributions must meet similar requirements.

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

Table 192. 401(k) salary reduction plans: Transfer and rollover provisions,¹ full-time employees, medium and large private establishments, 1993

Item	All employees	Professional, technical, and related employees	Clerical and sales employees	Blue-collar and service employees
Number (in thousands) with 401(k) salary reduction plans	10,123	3,531	3,137	3,455
	Percent			
Total with 401(k) salary reduction plans	100	100	100	100
Transfers/rollovers allowed	51	54	51	48
Transfers/rollovers not allowed	44	43	45	43
Not determinable	5	4	4	9

¹ Relates to the allowance of transfers/rollovers of contributions and earnings from the previous employer's plan.

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

Table 193. 401(k) salary reduction plans: Withdrawal availability, full-time employees, medium and large private establishments, 1993

Withdrawal provision	All employees	Professional, technical, and related employees	Clerical and sales employees	Blue-collar and service employees
Number (in thousands) with 401(k) salary reduction plans	10,123	3,531	3,137	3,455
	Percent			
Total with 401(k) salary reduction plans	100	100	100	100
Withdrawals permitted	41	40	44	40
Any reason	25	27	27	22
Hardship reasons only ¹	16	13	17	18
Withdrawals not permitted	57	58	53	59
Data not available	2	3	3	2

¹ Hardship reasons may include death or illness of a family member, education expenses, sudden uninsured losses, or purchase of a primary residence.

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

Table 194. 401(k) salary reduction plans: Loan availability, full-time employees, medium and large private establishments, 1993

Loan availability	All employees	Professional, technical, and related employees	Clerical and sales employees	Blue-collar and service employees
Number (in thousands) with 401(k) salary reduction plans	10,123	3,531	3,137	3,455
	Percent			
Total with 401(k) salary reduction plans	100	100	100	100
Loans permitted	43	42	41	44
Any reason	39	40	37	41
Hardship reasons only ¹	3	2	4	3
Loans not permitted	56	56	57	55
Not determinable	1	2	2	1

¹ Hardship reasons may include death or illness of a family member, education expenses, sudden uninsured losses, or purchase of a primary residence.

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

Table 195. 401(k) salary reduction plans: Methods of distribution, full-time employees, medium and large private establishments, 1993

Methods of distribution ¹	All employees	Professional, technical, and related employees	Clerical and sales employees	Blue-collar and service employees
Number (in thousands) with 401(k) salary reduction plans	10,123	3,531	3,137	3,455
	Percent			
Total with 401(k) salary reduction plans	100	100	100	100
Lump sum	98	97	98	98
Annuity	34	35	31	35
Installments	49	49	46	53
Other	1	2	1	(²)
Not determinable	(²)	1	(²)	(²)

¹ Sums of individual items may exceed totals because plans frequently permit more than one distribution option.

² Less than 0.5 percent.

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

Chapter 8. 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, 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 of these—flexible benefits plans and reimbursement accounts. Both arrangements are governed by Internal Revenue Code section 125.

A growing number of full-time employees in medium and large private establishments are being offered flexible benefits plans (table 196). These plans, often called cafeteria plans, allow employees to design individual benefit packages by choosing from among several 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 are not sufficient to pay for the benefit, employees may have the option to fund the difference with pretax contributions.

Flexible benefits plans usually provide several options, including 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 alternative medical plans (such as health maintenance organizations and preferred provider organizations), varying levels of accidental death and dismemberment insurance, and long-term disability insurance coverage. Some employees covered by flexible benefits plans may receive cash in lieu of benefits or deposit unused credits into reimbursement accounts. Or they may choose to purchase short-term disability coverage, deposit credits in a 401(k) plan, or buy and sell vacation days. Participants are often required to purchase minimum levels of coverage, a basic level of life insurance, for example.

Reimbursement accounts are offered to a large number of full-time employees (usually white-collar) in medium and large private establishments. These accounts, also called flexible spending accounts, provide funds from which employees pay for expenses not covered by their regular benefits package.

Reimbursement accounts are usually funded solely by employee pretax contributions, although some accounts may be partially funded by employers. Reimbursement accounts may be part of a flexible benefits plan, or they may stand alone.

A large majority of employees eligible for reimbursement accounts may allocate funds for health care deductibles, coinsurances, and the cost of services not covered by their medical care plan, such as dental expenses and vision exams (table 197). Eligible employees often may 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 may also be allocated for the payment of the employees' share of health care premiums, and other insurance premiums, such as life insurance or a spouse's insurance premiums.

Some accounts, known as premium conversion plans, are established solely to allow medical plan participants to pay required plan premiums with pretax dollars. Although such arrangements differ from the usual reimbursement accounts, where employees are reimbursed with pretax money *after* a payment is made, these arrangements nonetheless meet the Internal Revenue Code requirements for a section 125 plan.

Nearly all employees participating in flexible benefits plans or reimbursement accounts are required to contribute toward the cost of their benefits, or are allowed to contribute to obtain additional benefits. These contributions usually take the form of a salary reduction arrangement, which results in lower income tax liabilities.

Individual benefit plans offered through a flexible benefits plan are analyzed and included in the tabulations for specific benefit areas in this bulletin.³⁹

³⁹ 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 196. Flexible benefits plans and reimbursement accounts¹: Type of plan, full-time employees, medium and large private establishments, 1993

Type of plan	All employees	Professional, technical, and related employees	Clerical and sales employees	Blue-collar and service employees
Number (in thousands) with flexible benefits plans and reimbursement accounts	15,130	5,355	4,620	5,155
	Percent			
Total with flexible benefits plans and reimbursement accounts	100	100	100	100
Flexible benefits plan with reimbursement accounts	20	28	19	13
Flexible benefits plan without reimbursement account	2	1	1	3
Freestanding reimbursement account	78	70	80	84

¹ Flexible benefits plans, also known as flexible compensation and cafeteria plans, allow employees to choose between two or more benefits or benefits options in determining their individual benefits packages. Reimbursement (flexible spending) accounts, which are used to finance benefits or expenses unpaid by insurance or benefit plans, may be part of a flexible benefits program or stand alone (freestanding accounts). These accounts may be financed by the employer, employee, or both. The employee contribution is usually made through a salary reduction arrangement.

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

Table 197. Reimbursement accounts: Expenses included, full-time employees, medium and large private establishments, 1993

Expenses	All employees	Professional, technical, and related employees	Clerical and sales employees	Blue-collar and service employees
Number (in thousands) with reimbursement account	14,849	5,279	4,555	5,015
	Percent			
Total with reimbursement account ¹	100	100	100	100
Health premiums	47	45	47	4
Health premiums only	18	13	18	2
Other health expenses	69	78	70	5
Dependent care expenses	77	83	78	7
Legal expenses	(²)	(²)	(²)	(²)
Expenses not determinable ..	1	(²)	(²)	(²)

¹ Total is less than the sum of individual items because many plans a funds to be used for multiple purposes.

² Less than 0.5 percent.

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

Chapter 9. Benefits by Selected Characteristics

This chapter presents incidence of employee benefits for four selected characteristics—geographic region, major industry segment, union status, and part-time employment.

Tables 198 and 199 present, for the first time, incidence of employee benefits for full-time employees by four geographic regions: Northeast, South, North Central, and West.⁴⁰ The incidence of insurance and retirement benefits was typically higher in the Northeast and North Central regions. Establishments in the Northeast employed about 6.6 million full-time workers, the South employed 8.7 million workers, the North Central employed 7.9 million workers, and the West employed 5.6 million workers.

Overall, the incidence of benefits provided to workers in goods-producing industries was higher than that provided to workers in service-producing industries, particularly for blue-collar and service workers. Service-producing industries accounted for about three-fifths of those employed full time in 1993.⁴¹ (See tables 200-203.)

In general, employees covered by collective bargaining agreements were more likely to receive insurance and retirement coverage than nonunion workers. About one-fifth of full-time employees in medium and large private establishments were covered by collective bargaining agreements. Tables 204 and 205 show incidence of employee benefits for full-time workers by union status.⁴²

⁴⁰ Geographic regions are defined as follows: Northeast—Connecticut, Maine, Massachusetts, New Hampshire, New Jersey, New York, Pennsylvania, Rhode Island, Vermont; South—Alabama, Arkansas, Delaware, District of Columbia, Florida, Georgia, Kentucky, Louisiana, Maryland, Mississippi, North Carolina, Oklahoma, South Carolina, Tennessee, Texas, Virginia, West Virginia; North Central—Illinois, Indiana, Iowa, Kansas, Michigan, Minnesota, Missouri, Nebraska, North Dakota, Ohio, South Dakota, Wisconsin; West—Alaska, Arizona, California, Colorado, Hawaii, Idaho, Montana, Nevada, New Mexico, Oregon, Utah, Washington, Wyoming.

⁴¹ Goods-producing industries include manufacturing, mining, and construction. Service-producing industries include transportation, communications, electric, gas and sanitary services; wholesale trade; retail trade; finance, insurance, and real estate; and services. See Appendix A for additional information on survey scope.

Finally, tables 206 and 207 present incidence of benefits for part-time workers in medium and large private establishments.⁴³ Part-time workers within the scope of the Employee Benefits Survey were far less likely to be covered by benefit plans than full-time workers. Part-time workers account for about one-seventh of the 34.3 million employees in medium and large private establishments.

Benefits by geographic region

The incidence of paid leave benefits varied little by geographic region, with the exception of unpaid maternity leave. Such leave was more common in the West and Northeast regions, and was due primarily to the existence of state mandated coverage. Insurance and retirement benefits were more prevalent in the Northeast and North Central regions. The higher incidence of these benefits in the Northeast and North Central regions may be largely attributed to proportionately higher concentrations of unionized blue-collar workers in goods-producing industries within those regions. The incidence of other benefits, such as child care, employee assistance programs, and reimbursement accounts varied little among geographic regions.

Benefits by industry

The incidence of benefits provided to full-time workers in goods-producing industries was typically higher than for those in service-producing industries. Workers in service-producing industries were more likely to receive sick leave, but this was more than offset by sickness and accident insurance coverage, where the incidence of coverage for workers in goods-

⁴² Occupations are categorized as union or nonunion at the time of data collection. To be categorized as union, the occupations must meet the following criteria: 1) A labor organization must be recognized as the bargaining agent for workers in the occupation; 2) wage and salary rates must be determined through collective bargaining or negotiations; and, 3) settlement terms must be embodied in a signed, mutually-binding collective bargaining agreement.

⁴³ Employees are classified as full-time or part-time in accordance with the practices of surveyed establishments.

producing industries was nearly twice as high as that for service-producing industries.

About 9 in 10 workers in goods-producing industries received medical care, and life insurance coverage, a slightly higher proportion of coverage than those in services-producing industries. Goods-producing workers were also more likely to have retirement plans. However, workers in the service-producing industries were more likely to have long-term disability insurance, flexible benefit plans, and reimbursement accounts.

Benefits by union status

Workers covered by collective bargaining agreements were more likely to receive medical care, retirement, and life insurance coverage, than those who were not. Sick leave was the only benefit nonunion workers were more likely to receive, but this was more than offset by sickness and accident insurance coverage, where the incidence of coverage for union workers was twice as high as that for nonunion workers.

About 9 in 10 union workers received medical care, retirement, and life insurance coverage, a greater incidence of coverage than for nonunion workers. Union workers were also more likely to receive dental insurance than nonunion workers. Nonunion workers, however, were more commonly provided long-term disability insurance coverage.

The method for providing retirement income coverage varied considerably between union and nonunion workers. Union workers were more likely to receive a defined benefit pension plan (81 percent compared to 48 percent of nonunion workers). However, only one-third of union workers were offered defined contribution plans compared to one-half of nonunion workers.

These findings held true for most other benefits, with one exception. Nonunion workers were more likely to be eligible for flexible benefits plans and reimbursement accounts than were their union counterparts.

Benefits for part-time employees

Paid vacations and holidays were the most common benefits available to part-time workers; insurance and retirement protection were the least common. Few part-time workers within the scope of this survey received benefits usually provided to full-time workers, such as medical care, life insurance, private retirement plans, or parental leave. Full-time employees in medium and large private establishments were nearly

twice as likely to have retirement plans and parental leave, and more than 3 times as likely as part-time employees to be covered by medical care and life insurance benefits.

Because of both the limited sample size and incidence of benefits among part-time workers, plan provisions could not be examined to the same extent as for full-time workers.

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

Paid time off was the most prevalent type of benefit program available to the part-time workforce. About one-half of all part-time employees were eligible for paid vacations, paid holidays, paid jury duty leave, funeral leave, and paid rest periods. Paid time-off was commonly prorated based on the work schedule of the part-time employee. For example, an employee working 4 hours per day would receive 4 hours of pay for each vacation day granted.

Paid time-off benefits for part-time employees were significantly lower than the benefits for full-time employees. For example, part-time employees received an average of 8 paid holidays per year, while full-time workers received pay for 10.2 holidays.

Additionally, part-time employees received fewer paid vacation days than full-time workers. Part-time employees eligible for paid vacations were granted an average of 12.3 days at 5 years of service, compared to 13.6 days for full-time workers. At 20 years of service, part-time employees averaged 17.8 days, while full-time employees averaged 20.4 days.

Other types of leave were less common. Just over one-fourth of part-time employees were eligible for paid sick leave. Maternity leave and paternity leave, either paid or unpaid, was provided to about one-third of part-time workers.

Insurance benefits—sickness and accident insurance, long-term disability insurance, medical care, dental care, and life insurance—were available to fewer than one-fourth of part-time workers. Similarly, two-fifths of part-time workers were eligible to participate in a retirement plan.

The incidence of other benefits, such as severance pay, legal services, family-related benefits (including child care and elder care), and health promotion programs, was also less common than for full-time workers.

Table 198. Summary: Participation¹ in selected employee benefit programs, full-time employees, by geographic region, medium and large private establishments, 1993

Benefit	Northeast	South	North Central	West
Paid time off:				
Holidays	94	92	93	87
Vacations	98	96	98	96
Personal leave	40	16	18	13
Lunch period	15	9	7	3
Rest period	49	69	72	82
Funeral leave	86	80	87	77
Jury duty leave	95	91	92	79
Military leave	59	48	57	48
Maternity leave	3	2	2	3
Paternity leave	1	1	(²)	2
Unpaid time off:				
Maternity leave	70	47	54	79
Paternity leave	60	42	43	73
Disability benefits:				
Short-term disability protection	94	79	93	82
Paid sick leave	70	60	60	73
Sickness and accident insurance	68	33	50	25
Long-term disability insurance	40	37	47	41
Survivor benefits:				
Life insurance	93	88	95	88
Accidental death and dismemberment	74	61	74	68
Survivor income benefits	5	4	7	5
Health care benefits:				
Medical care	83	80	84	79
Dental care	62	52	65	72
Vision care	31	17	24	40
Outpatient prescription drug coverage	82	79	83	78
Retirement income benefits:				
All retirement ³	81	74	82	77
Defined benefit	58	50	60	55
Defined contribution	46	52	46	52
Savings and thrift	24	33	27	31
Deferred profit sharing	11	17	10	14
Employee stock ownership	3	3	3	3
Money purchase pension	12	5	8	9
Cash or deferred arrangements:				
With employer contributions	31	40	33	40
No employer contributions	8	4	8	8

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

full premium are outside the scope of the survey. Only current employees are counted as participants; retirees are excluded.

² Less than 0.5 percent.

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

Table 199. Other benefits: Eligibility for specified benefits, full-time employees, by geographic region, medium and large private establishments, 1993

Benefit	Northeast	South	North Central	West
Income continuation plans:				
Severance pay	43	40	42	44
Supplemental unemployment benefits	3	2	9	1
Family benefits:				
Employer assistance for child care	7	6	9	4
Adoption financial assistance	7	4	7	11
Eldercare	44	31	23	28
Long-term care insurance	9	5	4	5
Health promotion programs:				
In-house infirmary	35	29	35	29
Wellness programs	41	30	42	36
Employee assistance programs	59	57	68	63
Miscellaneous benefits:				
Employer-subsidized recreation facilities	24	26	32	23
Job-related travel accident insurance ...	45	46	43	44
Nonproduction bonuses	36	34	40	42
Prepaid legal services	6	6	9	6
Education assistance:				
Job-related	68	69	81	70
Not job-related	26	20	20	24
Flexible benefits plans	12	12	8	16
Reimbursement accounts	44	59	54	47

Table 200. Summary: Participation¹ in selected employee benefit programs, full-time employees in goods-producing industries, medium and large private establishments, 1993
(In percent)

Benefit	All employees	Professional, technical, and related employees	Clerical and sales employees	Blue-collar and service employees	Benefit	All employees	Professional, technical, and related employees	Clerical and sales employees	Blue-collar and service employees
Paid time off:					Survivor benefits:				
Holidays	97	100	100	96	Life insurance	95	96	97	94
Vacations	97	100	99	96	Accidental death and dismemberment	73	72	73	73
Personal leave	10	16	19	7	Survivor income benefits	8	14	7	7
Lunch period	12	4	7	16	Health care benefits:				
Rest time	74	58	62	81	Medical care	87	86	87	88
Funeral leave	85	87	85	85	Dental care	64	75	68	60
Jury duty leave	93	98	97	90	Vision care	25	29	26	24
Military leave	61	83	64	55	Outpatient prescription drug coverage	87	86	88	87
Maternity leave	2	5	2	1	Retirement income benefits:				
Paternity leave	1	3	(²)	(²)	All retirement ³	82	86	83	81
Unpaid time off:					Defined benefit	61	67	58	60
Maternity leave	64	71	65	62	Defined contribution	54	72	64	48
Paternity leave	58	68	61	54	Savings and thrift	33	52	44	26
Disability benefits:					Deferred profit sharing	13	13	16	12
Short-term disability protection	87	95	93	84	Employee stock ownership	2	4	5	2
Paid sick leave	47	87	72	31	Money purchase pension	7	8	7	6
Sickness and accident insurance	61	34	59	70	Cash or deferred arrangements:				
Long-term disability insurance	33	59	44	24	With employer contributions	66	60	49	29
					No employer contributions	6	6	5	6

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

full premium are outside the scope of the survey. Only current employees are counted as participants; retirees are excluded.

² Less than 0.5 percent.

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

Table 201. Other benefits: Eligibility for specified benefits, full-time employees in goods-producing industries, medium and large private establishments, 1993 (In percent)

Benefit	All employees	Professional, technical, and related employees	Clerical and sales employees	Blue-collar and service employees
Income continuation plans:				
Severance pay	43	72	49	34
Supplemental unemployment benefits	9	4	4	12
Family benefits:				
Employer assistance for child care	3	6	2	2
Adoption financial assistance	6	14	5	4
Eldercare	34	36	38	33
Long-term care insurance	6	12	9	3
Health promotion programs:				
In-house infirmary	42	58	38	39
Wellness programs	39	53	45	34
Employee assistance programs ..	60	80	63	54
Miscellaneous benefits:				
Employer-subsidized recreation facilities	31	44	31	27
Job-related travel accident insurance	45	70	59	35
Nonproduction bonuses	42	46	46	40
Prepaid legal services	9	4	8	11
Education assistance:				
Job-related	75	92	80	69
Not job-related	28	36	33	24
Flexible benefit plans	8	18	10	5
Reimbursement accounts	42	61	49	35

**Table 202. Summary: Participation¹ in selected employee benefit programs, full-time employees in service-producing industries, medium and large private establishments, 1993
(In percent)**

Benefit	All employees	Professional, technical, and related employees	Clerical and sales employees	Blue-collar and service employees	Benefit	All employees	Professional, technical, and related employees	Clerical and sales employees	Blue-collar and service employees
Paid time off:					Survivor benefits:				
Holidays	88	85	91	86	Life insurance	89	95	90	81
Vacations	97	95	98	96	Accidental death and dismemberment	66	73	63	64
Personal leave	29	31	34	21	Survivor income benefits	3	3	4	1
Lunch period	6	6	4	9	Health care benefits:				
Rest time	63	53	67	69	Medical care	78	84	77	74
Funeral leave	82	86	85	74	Dental care	60	64	62	54
Jury duty leave	87	94	91	78	Vision care	27	27	25	30
Military leave	47	59	52	30	Outpatient prescription drug coverage	76	82	76	72
Maternity leave	3	4	3	2	Retirement income benefits:				
Paternity leave	1	2	2	1	All retirement ²	76	82	77	68
Unpaid time off:					Defined benefit	52	52	53	51
Maternity leave	58	60	58	56	Defined contribution	45	54	51	31
Paternity leave	49	49	49	49	Savings and thrift	26	32	31	14
Disability benefits:					Deferred profit sharing	13	12	17	12
Short-term disability protection	86	89	89	81	Employee stock ownership	3	3	4	3
Paid sick leave	77	84	82	64	Money purchase pension	9	15	7	5
Sickness and accident insurance	33	25	32	40	Cash or deferred arrangements:				
Long-term disability insurance	46	66	51	22	With employer contributions	35	41	42	22
					No employer contributions	8	11	6	6

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

counted as participants. Benefits for which the employee must pay the full premium are outside the scope of the survey. Only current employees are counted as participants; retirees are excluded.

² 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.

Table 203. Other benefits: Eligibility for specified benefits, full-time employees in service-producing industries, medium and large private establishments, 1993 (In percent)

Benefit	All employees	Professional, technical, and related employees	Clerical and sales employees	Blue-collar and service employees
Income continuation plans:				
Severance pay	41	50	48	27
Supplemental unemployment benefits	1	(¹)	1	2
Family benefits:				
Employer assistance for child care	9	14	7	6
Adoption financial assistance	8	9	9	4
Eldercare	29	32	31	25
Long-term care insurance	6	7	7	3
Health promotion programs:				
In-house infirmary	25	33	21	22
Wellness programs	36	50	36	21
Employee assistance programs ..	62	72	64	51
Miscellaneous benefits:				
Employer-subsidized recreation facilities	24	35	23	15
Job-related travel accident insurance	44	54	51	28
Nonproduction bonuses	35	33	36	35
Prepaid legal services	5	5	5	4
Education assistance:				
Job-related	71	82	71	60
Not job-related	18	21	19	14
Flexible benefit plans	14	22	14	8
Reimbursement accounts	58	71	65	39

¹ Less than 0.5 percent.

Table 204. Summary: Percent of full-time employees participating¹ in selected employee benefit programs, by union status, medium and large private establishments, 1993

Benefit	Union employees	Nonunion employees
Paid time off:		
Holidays	95	90
Vacations	97	97
Personal leave	20	22
Lunch period	11	8
Rest period	74	66
Funeral leave	90	81
Jury duty leave	92	89
Military leave	55	52
Maternity leave	2	3
Paternity leave	1	1
Unpaid time off:		
Maternity leave	65	59
Paternity leave	59	51
Disability benefits:		
Short-term disability protection	95	84
Paid sick leave	50	69
Sickness and accident insurance	72	36
Long-term disability insurance	28	45
Survivor benefits:		
Life insurance	95	90
Accidental death and dismemberment	77	67
Survivor income benefits	9	4
Health care benefits:		
Medical care	90	79
Dental care	73	58
Vision care	48	20
Outpatient prescription drug coverage	89	78
Retirement income benefits:		
All retirement ²	88	76
Defined benefit	81	48
Defined contribution	35	53
Savings and thrift	15	33
Deferred profit sharing	5	16
Employee stock ownership	2	3
Money purchase pension	7	8
Cash or deferred arrangements:		
With employer contributions	18	41
No employer contributions	9	6

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

² 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.

Table 205. Other benefits: Percent of full-time employees eligible for specified benefits, by union status, medium and large private establishments, 1993

Benefit	Union employees	Nonunion employees
Income continuation plans:		
Severance pay	43	42
Supplemental unemployment benefits	15	1
Family benefits:		
Employer assistance for child care	3	8
Adoption financial assistance	6	7
Eldercare	33	31
Long-term care insurance	7	5
Health promotion programs:		
In-house infirmary	44	29
Wellness programs	41	36
Employee assistance programs	65	61
Miscellaneous benefits:		
Employer-subsidized recreation facilities	22	28
Job-related travel accident insurance ...	39	46
Nonproduction bonuses	36	38
Prepaid legal services	17	4
Education assistance:		
Job-related	68	73
Not job-related	30	19
Flexible benefits plans	4	14
Reimbursement accounts	29	58

**Table 206. Summary: Participation¹ in selected employee benefit programs, part-time employees, medium and large private establishments, 1993
(In percent)**

Benefit	All employees	Professional, technical, and related employees	Clerical and sales employees	Blue-collar and service employees	Benefit	All employees	Professional, technical, and related employees	Clerical and sales employees	Blue-collar and service employees
Paid time off:					Survivor benefits:				
Holidays	48	36	57	45	Life insurance	25	36	27	20
Vacations	55	55	57	54	Accidental death and dismemberment	19	26	19	16
Personal leave	14	7	20	10	Survivor income benefits	(²)	-	(²)	(²)
Lunch period	2	3	2	2	Health care benefits:				
Rest time	59	67	67	49	Medical care	24	33	22	24
Funeral leave	44	42	57	33	Dental care	17	27	17	14
Jury duty leave	49	54	52	46	Vision care	10	13	10	8
Military leave	14	16	18	9	Outpatient prescription drug coverage	24	31	22	23
Maternity leave	1	2	(²)	1	Retirement income benefits:				
Paternity leave	1	2	(²)	(²)	All retirement ³	40	51	45	33
Unpaid time off:					Defined benefit	26	31	29	23
Maternity leave	36	43	38	33	Defined contribution	23	24	32	16
Paternity leave	32	35	33	30	Savings and thrift	8	6	15	4
Disability benefits:					Deferred profit sharing	9	3	12	8
Short-term disability protection	33	45	32	31	Employee stock ownership	2	1	4	1
Paid sick leave	26	39	26	22	Money purchase pension	4	14	1	3
Sickness and accident insurance	17	19	12	21	Cash or deferred arrangements:				
Long-term disability insurance	4	10	5	1	With employer contributions	15	7	24	9
					No employer contributions	4	12	5	2

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 Less than 0.5 percent.

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

Table 207. Other benefits: Eligibility for specified benefits, part-time employees, medium and large private establishments, 1993 (in percent)

Benefit	All employees	Professional, technical, and related employees	Clerical and sales employees	Blue-collar and service employees
Income continuation plans:				
Severance pay	13	19	16	9
Supplemental unemployment benefits	(¹)	-	1	(¹)
Family benefits:				
Employer assistance for child care	5	20	2	4
Adoption financial assistance	4	7	5	1
Eldercare	20	28	20	18
Long-term care insurance	4	3	6	2
Health promotion programs:				
In-house infirmary	11	40	6	8
Wellness programs	19	38	20	12
Employee assistance programs ..	38	61	48	24
Miscellaneous benefits:				
Employer-subsidized recreation facilities	10	17	10	8
Job-related travel accident insurance	24	23	39	12
Nonproduction bonuses	16	25	12	17
Prepaid legal services	4	4	5	2
Education assistance:				
Job-related	35	60	35	28
Not job-related	8	12	10	5
Flexible benefit plans	5	16	4	3
Reimbursement accounts	19	37	22	11

¹ Less than 0.5 percent.

Appendix A: Technical Note

Scope of survey

The Employee Benefits Survey (EBS)—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 the EBS estimates are made covers all private-sector establishments¹ in the United States employing 100 workers or more at the time of sample selection.² All private-sector industries are covered in the survey with the exception of farms and private households.

The industrial and establishment size coverage of the survey varies on a rotating basis. All surveys cover full-time and part-time workers in all 50 States and the District of Columbia. In even-numbered years, EBS data are collected for small private establishments (those employing fewer than 100 workers) and State and local governments, regardless of employment size. In odd-numbered years, data are collected in medium and large private establishments (those employing 100 workers or more).

The industrial coverage, establishment size coverage, and geographic coverage for the survey were different prior to 1990. The surveys done from 1979 to 1986 covered only medium and large private establishments and excluded most of the service industries. Establishments that employed at least 50, 100, or 250 workers, depending on the industry, were included. 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 part-time employees and establishments in Alaska and Hawaii.

¹ BLS defines an establishment as an economic unit that produces goods or services (such as a factory or a store) at a single location. An establishment is not necessarily a firm; it may be a branch plant, for example, or a warehouse.

² 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 of 100 employees or more that were sampled are included in the survey, even if they employed fewer workers at the time of data collection.

Data in Appendix B indicate the estimated number of 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 quotes³ within those establishments that are actually studied for each major industry division.

Occupational groups

Each of the narrowly defined occupations selected for study 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.

Blue-collar 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.

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

Benefit areas

BLS requests 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,

³ Data are collected individually for narrowly defined occupations that are sampled within establishments. All of the employees in the detailed occupation selected may not be surveyed. Data for a group (manageable number) of employees in the detailed occupation that included the selected employee position are collected. This group is called a quote.

paid and unpaid parental leave, paid sick leave, sickness and accident insurance, long-term disability insurance, medical care, dental care, vision care, life insurance, defined benefit pension plans, defined contribution plans, flexible benefit plans, and reimbursement accounts.

Data are also collected on the incidence of the following additional benefits: Severance pay, supplemental unemployment benefits, travel accident insurance, nonproduction cash bonuses, prepaid legal services, child care, adoption assistance, eldercare, in-house infirmaries, long-term care insurance, wellness programs, recreation facilities, job-related and non-job-related educational assistance, employee assistance programs, stock option plans, stock purchase plans, and cash profit-sharing plans.

Sample design

The State Unemployment Insurance (UI) reports for the 50 States and the District of Columbia is the list of establishments from which the sample is selected (called the sampling frame). The sample design for this survey and the Employment Cost Index (ECI) 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 those establishments.

The sample of establishments is a subset of the ECI sample that covers establishments having 100 employees or more at the time of selection. The ECI sample is updated over a 4-year cycle. Each year, new sample establishments are introduced into the survey in selected industries, replacing previously selected sample units in those same industries. Using this procedure, the entire sample is replaced approximately every 4 years.

To ensure that the sample is representative of all establishments that began business after the various industry samples were selected, a sample of "births" (newly opened establishments) is added to the existing sample each year.

The sample of establishments is selected by first stratifying the sampling frame by industry group, and then by region and establishment employment. The industry groups usually consist of 3-digit Standard Industrial Classification groups, as defined by the Office of Management and Budget.

The number of sample establishments allocated to each stratum (defined by industry) reflects the ratio of employment in the stratum to employment in all sampling frame establishments. Thus, a stratum that contains 1 percent of the total employment within the scope of the survey receives approximately 1 percent of the total sample establishments. Some industries are

sampled at a higher rate than other industries because of publication requirements or highly variable data.

Each sampled establishment within an industry group (stratum) has 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.

At the beginning of each visit by a Bureau field economist to 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 size within the establishment.

The narrowly defined occupations are based on the Standard Occupational Classification (SOC) system compiled 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 visit or contact sampled establishments by telephone to collect data for the survey. To reduce the reporting burden, respondents are asked to provide documents describing their flexible benefits plans; reimbursement accounts; defined benefit pensions; defined contribution plans; medical, dental, and vision care plans; and insurance plans. BLS analyzes these plans in Washington to garner the required data on plan provisions. Data on paid leave generally are obtained directly from the employer at the time of the visit.

Data calculation

Tabulations in this bulletin show the percent of all employees who receive specified benefits, such as paid holidays or medical care, as well as information on the provisions of many of these benefits. To present provision data, tabulations generally indicate the percent of all employees receiving a benefit (participants) who are covered by specified features. For example, a tabulation may show the percent of workers with medical care benefits who are covered by a health maintenance organization.

The majority of tables in the bulletin indicate the percent of employees covered by a particular benefit plan or provision. In addition, average benefit provisions—such as the average number of paid holidays per year—are presented. In some cases, tabulations indicate both the percent of employees with

a given provision and the average value of that provision. For example, EBS tabulations indicate the percent of employees in fee-for-service medical care plans who must pay selected deductibles (such as \$100, \$150, and \$200 per year), as well as the average deductible. (All tabulations of averages include only those employees actually covered by the provision being averaged.)

Most tables in this bulletin also include the number of employees receiving the benefit. This provides the reader with additional information on the prevalence of various benefit plans and provisions.

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 establishment non-response 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.

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

$$Y = \sum_{i=1}^{n'} \frac{f2_i f1_i}{P_i} \sum_{j=1}^{o_i} \frac{Y_{ij}}{P_{ij}}$$

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_i = the probability of including the i^{th} establishment in the sample;
- P_{ij} = the probability of including the j^{th} occupation in the sample of occupations from the i^{th} establishment;
- $f1_i$ = weight adjustment factor for nonresponse for the i^{th} establishment;
- $f2_i$ = 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 usable occupation quotes selected from the responding establishments. They are not tabulations based on data from all employees in medium and large establishments within scope of the survey. Consequently, the data are subject to sampling and 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.

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 influence of these limitations on the EBS estimates is unknown, reliability measurements are incomplete.

Appendix B: Survey Response

Information on 1993 survey response

Data for the 1993 Employee Benefits Survey were collected from November 1992 to October 1993, reflecting an average reference period of April 1993. There were approximately 143,000 medium and large establishments—those employing 100 workers or more—within the scope of the survey. A sample of 3,666 establishments was chosen from Unemployment Insurance reports with reference dates from 1984 to 1991; also included was the "birth" sample, which represents establishments beginning operations through 1992. (A description of sampling procedures appears in appendix A.) Respondents were asked for information as of the time of the data collection contact.

The following summary is a composite of establishment responses to the survey:

<i>Establishments</i>	<i>Number</i>
In sample	3,666
Out of business and out of scope	219
Refusing to respond	1,122
Responding fully or partially	2,325

The 2,325 responding establishments (tables A1-A2) yielded 13,012 occupational observations (quotes) for which data were collected.

There were three procedures used to adjust for missing data from partial and full refusals. First, imputations for the number of plan participants are made for cases in which this number is not reported (approximately 19 percent of participants in health plans, 14 percent in retirement plans, and less than 9 percent of participants in all other types of plans). Each of these participant values is imputed by selecting a similar plan from another establishment with similar employment in a similar industry. The participant rate from this 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 were made when they are not available in a partially responding establishment. These plan provisions are imputed by selecting a plan from another establishment with similar characteristics. Provisions from this selected

plan are then used to represent the missing data. (This was done for about 6 percent of the participants in sickness and accident insurance plans; 12 percent of flexible benefits plan participants; 30 percent of medical, dental, and vision care participants; 19 percent of long-term disability insurance participants; 44 percent of retirement plan participants; and 9 percent of life insurance plan participants. Imputations were done for less than 3 percent of the participants in paid leave plans.)

Lastly, for all 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. If data had been supplied for all sampled occupations in cooperating establishments, the estimates in this bulletin would represent 39.4 million employees instead of the 34.3 million employees actually represented.

Standard errors

Chart A-1 provides standard errors for use in evaluating the estimates in the tables shown in chapters 1-9 of this bulletin containing percentage estimates. For example, table 1 shows that 65 percent of all employees participated in sick leave plans in 1993. Chart A-1 shows a standard error of approximately 1.75 percent for this estimate. Thus, at the 95-percent level, the confidence interval for this estimate is 61.5 percent to 68.5 percent (65 percent plus and minus 2 times 1.75 percent).

Standard errors for tables 11, 17, 27, and 29 could not be represented graphically. They are presented as tables A3-A6. For example, the first entry in table 27 shows an average of 12.0 days of paid sick leave

annually after 1 year of service. The standard error for this estimate is 0.75 days.

Standard errors cannot be computed for table 147. The data shown in this table are projections based on models of the plan provisions.

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 1993 survey estimates using a method called "balanced repeated replication." Estimates are produced for each of 64 half-sample replicates, and the variability or standard error is calculated from these estimates. To simplify their presentation, a curve was fitted to the standard error estimates using regression techniques (chart A-1).

The curve's equation is:

$$S = Pe^{[a + b\{\ln(100 - P)^2 \ln(P)\} + c\{\ln(P)\}^2 + d\{\ln(P)\ln(100 - P)\}^2]}$$

where:

- S = standard error
- P = percentage estimate from the bulletin
- e = exponential function
- ln = natural logarithm function.

For the 1993 Employee Benefits Survey,

$$a = -1.037145, b = -0.017285, c = -0.187576, \text{ and } d = 0.007293.$$

These are regression coefficients. The curve fits the data with $R^2 = 0.90034$ and no definite pattern in the residuals.

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, 1993

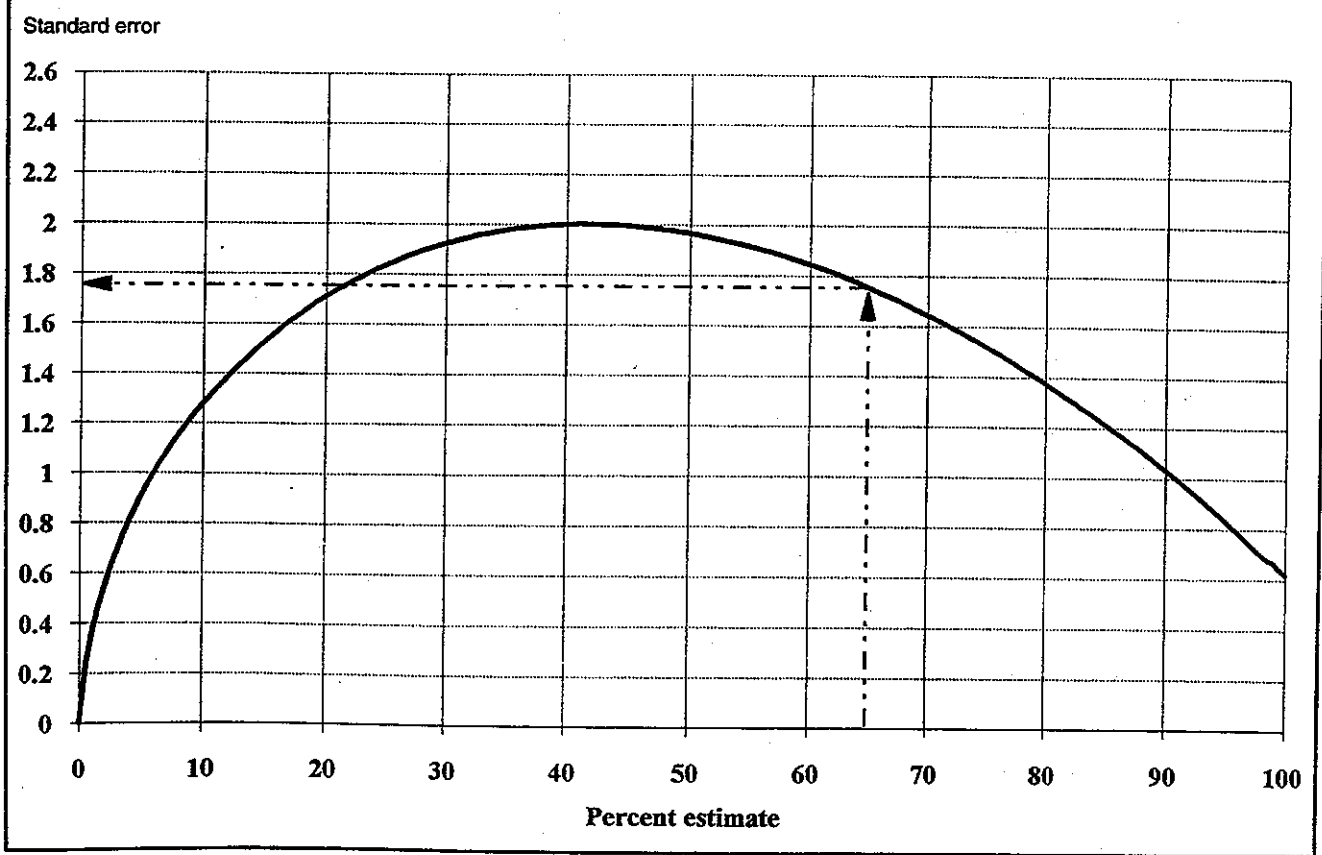


Table A.1. Number of establishments and full-time occupational quotes studied and estimated number of full-time workers within scope of survey, medium and large private establishments, United States, 1993

Industry division ¹	Number of establishments studied	Number of occupational quotes studied ²			
		Total	Professional, technical, and related	Clerical and sales	Blue-collar and service
All industries	2,325	11,341	3,580	3,574	4,187
Manufacturing	500	2,768	601	342	1,825
Nonmanufacturing	1,825	8,573	2,979	3,232	2,362
Mining	14	101	38	7	56
Construction	52	243	43	18	182
Transportation, communications, electric, gas, and sanitary services	279	1,538	415	497	626
Wholesale trade	79	390	80	151	159
Retail trade	260	806	105	450	251
Finance, insurance, and real estate	397	2,317	829	1,405	83
Services	744	3,178	1,469	704	1,005
Estimated number of full-time workers within scope of survey					
All industries		28,728,207	7,745,345	7,339,191	13,643,670
Manufacturing		10,540,772	2,051,052	1,283,228	7,206,492
Nonmanufacturing		18,187,435	5,694,293	6,055,964	6,437,178
Mining		299,746	113,524	18,158	168,064
Construction		624,872	93,249	37,873	493,750
Transportation, communications, electric, gas, and sanitary services		2,452,550	535,015	638,480	1,279,054
Wholesale trade		1,143,188	182,149	445,430	515,609
Retail trade		2,562,171	290,412	1,363,696	908,063
Finance, insurance, and real estate		2,280,953	759,156	1,405,046	116,751
Services		8,823,956	3,720,787	2,147,282	2,955,887

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.2. 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, 1993

Industry division ¹	Number of establishments studied	Number of occupational quotes studied ²			
		Total	Professional, technical, and related	Clerical and sales	Blue-collar and service
All industries	2,325	1,671	315	720	636
Manufacturing	500	31	1	16	14
Nonmanufacturing	1,825	1,640	314	704	622
Mining	14	-	-	-	-
Construction	52	4	-	2	2
Transportation, communications, electric, gas, and sanitary services	279	44	3	14	27
Wholesale trade	79	6	-	1	5
Retail trade	260	654	3	421	230
Finance, insurance, and real estate	397	130	11	103	16
Services	744	802	297	163	342
Estimated number of full-time workers within scope of survey					
All industries		5,564,940	726,678	2,221,163	2,617,100
Manufacturing		157,084	3,184	71,089	82,812
Nonmanufacturing		5,407,856	723,494	2,150,074	2,534,288
Mining		-	-	-	-
Construction		12,536	-	9,792	2,744
Transportation, communications, electric, gas, and sanitary services		167,199	3,153	51,172	112,874
Wholesale trade		20,843	-	3,678	17,166
Retail trade		2,381,013	7,116	1,395,185	978,712
Finance, insurance, and real estate		244,794	6,557	200,580	37,657
Services		2,581,471	706,668	489,666	1,385,137

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 11 – Paid holidays and vacations: Average number of days, full-time employees, medium and large private establishments, 1993

Item	All employees	Professional, technical, and related employees	Clerical and sales employees	Blue-collar and service employees
Paid holidays	0.12	0.17	0.21	0.16
Paid vacation by minimum length of service requirement:				
After 1 year .....	.08	.16	.12	.12
After 3 years .....	.07	.19	.15	.08
After 5 years .....	.10	.20	.14	.14
After 10 years .....	.10	.20	.15	.12
After 15 years .....	.10	.19	.16	.13
After 20 years .....	.13	.22	.17	.18
After 25 years .....	.16	.24	.20	.21
After 30 years .....	.17	.24	.21	.24

Table A-4. Standard errors for table 17 – Paid vacations: Average number of days by length of service and cash-in/carryover provisions, full-time employees, medium and large private establishments, 1993

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	0.08	0.15	0.18	0.38	0.58	0.10
After 3 years .....	.07	.14	.16	.35	.57	.09
After 5 years .....	.10	.16	.19	.38	.64	.13
After 10 years .....	.10	.16	.20	.37	.62	.12
After 15 years .....	.10	.15	.20	.40	.54	.15
After 20 years .....	.13	.19	.23	.45	.53	.18
After 25 years .....	.16	.21	.26	.50	.58	.21
After 30 years .....	.17	.22	.29	.55	.59	.23

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

Table A-5. Standard errors for table 27 – Paid annual sick leave: Average number of days at full pay, full-time employees, medium and large private establishments, 1993

Item	All employees	Professional, technical, and related employees	Clerical and sales employees	Blue-collar and service employees
Paid annual sick leave days by minimum length of service requirement:				
After 1 year	0.75	1.34	0.60	1.16
After 3 years .....	.81	1.58	.78	1.15
After 5 years .....	.86	1.61	1.15	1.14
After 10 years	1.08	1.68	1.99	1.19
After 15 years	1.12	1.79	2.06	1.20
After 20 years	1.15	1.82	2.09	1.24
After 25 years	1.23	2.13	2.12	1.27
Paid per disability sick leave by minimum length of service requirement:				
After 1 year	4.97	8.53	3.67	6.99
After 3 years	4.58	7.74	3.52	6.13
After 5 years	3.90	6.22	3.25	6.21
After 10 years	2.97	4.21	3.90	5.84
After 15 years	3.28	4.28	4.32	5.82
After 20 years	3.61	4.67	5.04	6.06
After 25 years	4.15	5.42	6.10	6.86

Table A-6. Standard errors for table 29 – Paid annual sick leave: Average number of sick days at full pay by accumulation policy, full-time employees, medium and large private establishments, 1993

Item	All employees	Professional, technical, and related employees	Clerical and sales employees	Blue-collar and service employees
After 1 year of service:				
Cumulative plan	0.18	0.18	0.35	0.22
Noncumulative plan	1.88	3.91	1.29	2.63
After 3 years of service:				
Cumulative plan .....	.21	.28	.37	.25
Noncumulative plan	1.96	4.38	1.58	2.56
After 5 years of service:				
Cumulative plan .....	.28	.38	.42	.29
Noncumulative plan	2.04	4.30	2.38	2.52
After 10 years of service:				
Cumulative plan .....	.36	.55	.52	.32
Noncumulative plan	2.47	4.40	4.30	2.58
After 15 years of service:				
Cumulative plan .....	.53	.85	.68	.36
Noncumulative plan	2.50	4.55	4.35	2.62
After 20 years of service:				
Cumulative plan .....	.55	.85	.70	.39
Noncumulative plan	2.60	4.64	4.45	2.76
After 25 years of service:				
Cumulative plan .....	.55	.86	.71	.39
Noncumulative plan	2.86	5.22	4.55	2.83

Appendix C. Availability of Survey Data

The tables published in this bulletin present the major findings of the Employee Benefits Survey of medium and large private establishments. Survey data are also available in research articles, special bulletins and reports, short publications, and electronic media.

Articles based on Employee Benefits Survey data are published periodically in the Bureau's *Monthly Labor Review* and *Compensation and Working Conditions*. The following is a list of recent articles:

Kynn, Christine. "AIDS Provisions in Health Insurance," *Compensation and Working Conditions*, August 1994, pp. 4-7.

Bucci, Michael and Grant, Robert B. "Health Insurance: Employer Offerings and Employee Choices in Small Private Establishments," *Compensation and Working Conditions*, August 1994, pp. 1-3.

Foster, Ann C. "Employee benefits in the United States, 1991-92," *Compensation and Working Conditions*, July 1994, pp. 1-6.

Foster, Ann C. "Portability of pension benefits among jobs," *Monthly Labor Review*, July 1994, pp. 45-50.

Wiatrowski, William J. "On the Disparity Between Private and Public Pensions," *Monthly Labor Review*, April 1994, pp. 3-9.

Scofea, Laura A. "The Development and Growth of Employer-Provided Health Insurance," *Monthly Labor Review*, March 1994, pp. 3-10.

Graham, Avy D. "Coordinating Private Pension Benefits with Social Security," *Monthly Labor Review*, March 1994, pp. 35-38.

Wiatrowski, William J. "Employee Benefits for Union and Nonunion Workers," *Monthly Labor Review*, February 1994, pp. 34-37.

Williams, Arthur C. "Health Care Plans Covering Outpatient X-ray and Lab Tests" *Monthly Labor Review*, August 1993, pp. 44-47.

Thompson, Jerline. "Incidence and Type of Disability Insurance Benefits, 1958-90," *Monthly Labor Review*, July 1993, pp. 51-53.

Bucci, Michael. "Lump-sum Benefits Available from Savings and Thrift Plans," *Monthly Labor Review*, June 1993, pp. 57-60.

Wiatrowski, William J. "Factors Affecting Retirement Income," *Monthly Labor Review*, March 1993, pp. 25-35.

Williams, Dolphene F. "Employer-Provided Retiree Health Care Benefits," *Compensation and Working Conditions*, August 1993, pp. 1-4.

Special bulletins and reports focus on a single topic or combine related themes. Recent publications include:

Employee Benefits for Union and Nonunion Workers, 1991-92, Summary 94-7, July 1994.

Health Insurance: Employer Offering and Employee Choice in State and Local Governments, 1992, Summary 94-12, September 1994.

Payouts from Employee Benefit Plans, Bulletin 2436, December 1993.

Employee Benefits in the United States, Summary 93-4, June 1993.

Employee Benefits in a Changing Economy: A BLS Chartbook, Bulletin 2394, September 1992.

Substance Abuse Provisions in Employee Benefit Plans, Bulletin 2412, August 1992.

To meet the needs of data users interested in specific benefit topics, Employee Benefits Survey data are used to prepare three series of short publications. *Understanding Employee Benefits* is a popularly written series of flyers covering benefits. Recent topics include:

- The Employee Benefits Survey
- The Health Care Puzzle
- Retirement and Capital Accumulation
- Employee Benefits in Small Establishments
- Benefits for the Family
- Employee Benefits for Teachers in the Public Sector

Employee Benefits Briefs are one-page highlights of benefits topics. Recent briefs cover:

- Portability of Pension Benefits Among Jobs—November 1994
- Employees Benefits For Union and Nonunion Workers—September 1994
- Dental Care Benefits—July 1994
- Nontraditional Benefits—May 1994
- Reimbursement Accounts—March 1993

Surgery Benefits—January 1994
Preferred Provider Organizations—November 1993

Issues in Labor Statistics is one of a series of BLS occasional reports that present information of current interest. Recent reports on employee benefits include:

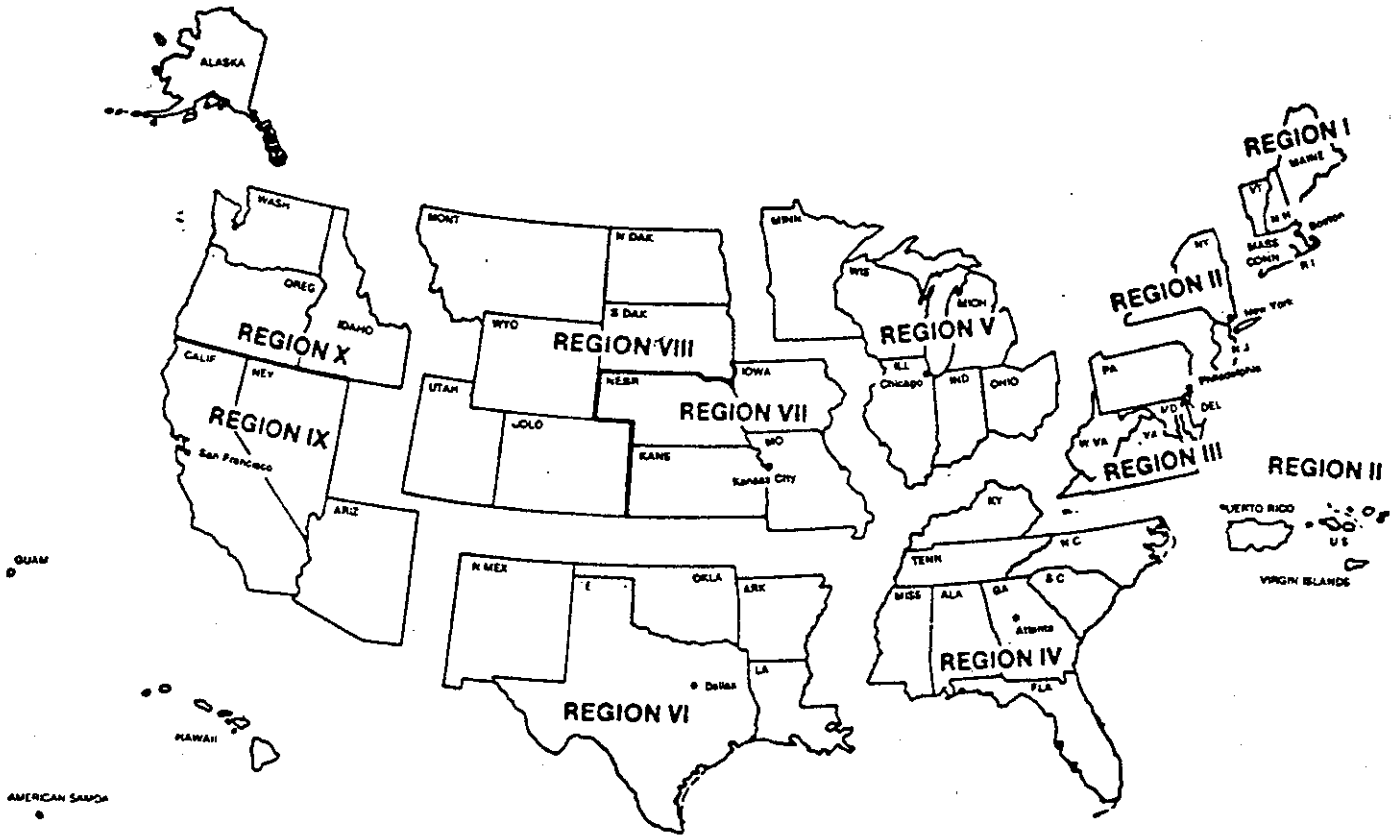
- Parental Leave Benefits Provided by Employers*, Summary 93-1, March 1993.
- Health Care Benefits Under Close Scrutiny*, Summary 93-2, March 1993.

Electronic data are also available. Through the BLS LABSTAT on-line data service, users may access Employee Benefits Survey news releases and historical data on major benefit incidences and provisions.

More information may be obtained by writing the Employee Benefits Survey, Bureau of Labor Statistics, 2 Massachusetts Avenue, NE., Room 4160, Washington, DC 20212-0001. Public information is also available by telephone at 202-606-6222.

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