



PROGRAM PERSPECTIVES

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ON COMBINED BENEFIT PLANS



New data series highlights employee access to medical care and retirement benefits

About 64 percent of both full- and part-time civilian employees in the United States have access to both an employer-sponsored medical care plan and an employer-sponsored retirement plan. Another 15 percent of civilian employees have access to either a medical care plan or a retirement plan but not both. The remaining 20 percent of civilian employees have access to neither a medical care plan nor a retirement plan. (See chart 1.)

Health insurance (which includes medical care) and retirement plans are among the larger benefit costs for employers. Health insurance costs represent about 8.1 percent of total compensation (wages and benefits) and retirement about 4.5 percent of total compensation. Combined, these two benefits represent 12.5 percent of total compensation and 41.3 percent of the total cost of employee benefits. (See table 1.)

These statistics are from the Bureau of Labor Statistics *National Compensation Survey: Employee Benefits in the United States, March 2009*. (See www.bls.gov/ebs/#bulletins.) Data on

access to medical care and retirement have been available separately in the past, but 2009 is the first time that the percent of employees that have both or neither

Access rates for State and local government and private industry employees

Employees who work for State and local governments are more likely to have both a medical care and retirement plan than employees in private industry.

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GLOSSARY

Access. An employee has access to a benefit plan if the employee is in an occupation that is offered the plan. By definition, either all employees in an occupation have access to a benefit, or none has access.

Total compensation. Total compensation is the cost of wages and salaries plus the employers' cost of employee benefits. In table 1, "Percent of total compensation" is the cost of the individual line item divided by the total compensation cost, expressed as a percentage.

Civilian workers. The Civilian workers include the total private nonfarm economy excluding those in private households, and the public sector excluding the Federal Government.

TABLE 2

Employee access to medical care and retirement benefits, civilian workers, March 2009

Worker or establishment characteristic	Medical care and retirement benefits	Medical care and no retirement benefits	Retirement benefits and no medical care	No medical care and no retirement benefits
By occupational group				
Management, professional, and related	80	7	4	9
Service	41	10	10	39
Sales and office	64	9	8	18
Natural resources, construction, and maintenance	66	12	4	18
Production, transportation, and material moving	65	12	5	18
By wage category				
Lowest 25th	32	9	13	45
Second 25th	67	12	5	16
Third 25th	76	11	3	10
Highest 25th	86	6	3	6
By full-/part-time status				
Full-time	77	11	3	9
Part-time	20	4	20	56
By bargaining unit status				
Union	89	3	3	5
Nonunion	59	11	7	23
By establishment size				
1-49 workers	40	15	9	35
50-99 workers	59	13	9	20
100-499 workers	74	7	5	13
500 workers or more	86	3	3	7

The next *Program Perspectives* will feature **fee-for-service plans**.

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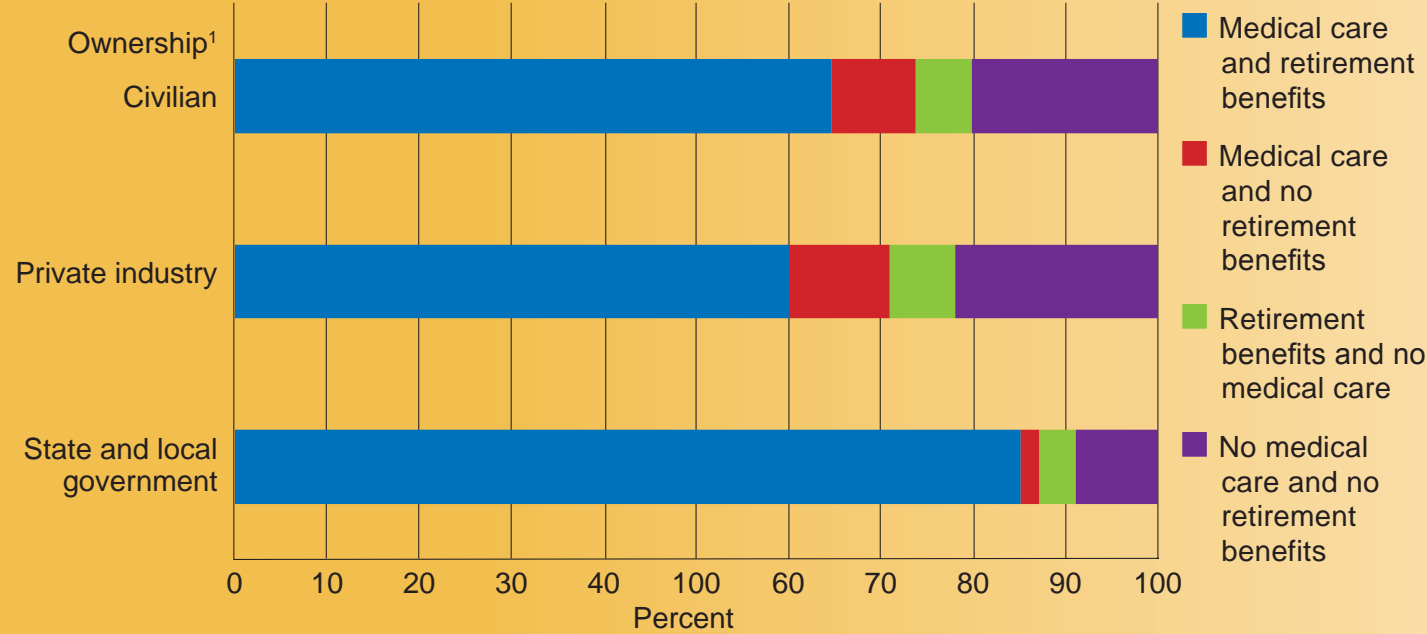
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CHART 1

Employee access to medical care and retirement benefits, March 2009



¹Ownership refers to the legal status of the organization that operates the establishment. It may be a private industry organization such as a corporation, nonprofit, partnership, sole proprietorship, etc. or it may be a government organization such as Federal, State, local, special districts, quasi-government, etc.

from cover page

About 86 percent of all State and local employees have access to both benefits, compared with 60 percent of private industry workers. The proportion of workers not having access to either benefit is higher in private industry (22 percent) than in State and local government (9 percent). (See chart 1.)

Differences in the mix of workers employed by State and local governments and private industry account for much of the difference in access to medical care and retirement benefit coverage. State and local governments employ a higher proportion of managerial, profes-

sional and related employees, about 54 percent of all employees, than do private industry, where this group of workers represents about 23 percent of the workforce. Among civilian workers (private industry and State and local government) managerial, professional, and related employees are more likely to have retirement and medical care plans than other occupational groups—about 80 percent have access to both types of plans, compared with 66 percent of natural resource, construction and maintenance workers, 65 percent of production, transportation and material moving workers, 64 percent of sales and office workers, and 41 percent of service workers. The proportion of

production, transportation, and material moving employees in private industry is about 3 times as great as its proportion in State and local government. For natural resources, construction, and maintenance workers, the proportion is about twice as great for private industry as compared with State and local governments.¹

¹The percentage of employees by occupation is based on the weights used in the Employment Cost Index, which was developed using data from the Occupational Employment Statistics program.

Access rates by worker earnings

Access to both medical care and retirement benefits varies for employees in different occupations and

industries but is more available for workers with high pay. About one in three civilian workers in the lowest 25th percentile of earnings have access to both medical care benefits and a retirement plan, while access to both benefits ranges from 67 percent to 86 percent for workers in the highest three quartiles. Workers in the lowest 25th percentile of earnings are more likely to have access to neither type of plan than to have access to both types of plans. However, those in the highest three quartiles are more likely to have access to both types of plans than access to neither. (Wage percentiles are based on estimates published in *National Compensation Survey: Occupational Earnings in the United States, 2008*, Bulletin 2720, Bureau of Labor Statistics, August 2009. Complete results of this survey are at www.bls.gov/ncs/ncswage2008.htm.) (See table 2.)

Access by full-time/part-time status

For civilian workers, full-time workers are more likely to have access to both retirement and medical care benefits than part-time workers (77 percent compared with 20 percent), while part-time workers are less likely to have access to either benefit (56 percent to 9 percent). This reflects a general pattern across other benefit categories—paid vacation, paid holidays, paid sick leave, life insurance, short-term disability,

and long-term disability—where access is much lower for part-time employees. (See table 2.)

Access by bargaining unit status

About 89 percent of civilian workers in jobs covered by a collective bargaining agreement have access to both retirement and medical care benefits. The percentage of civilian workers in jobs not covered by a collective bargaining agreement that have access to both benefits is about 59 percent. The percentage of employees with access to neither benefit is about 5 percent for jobs covered by an agreement and about 23 percent for jobs not covered by a collective bargaining agreement. (See table 2.)

Access by establishment size

For civilian workers, access to both medical care and retirement is higher for employees in larger establishments than in smaller establishments. About 86 percent of employees in establishments with 500 or more workers have access to both medical care and retirement plans, while about 40 percent of workers in establishments with 1-49 workers have similar access. About one third of employees in establishments with 1-49 employees do not have access to either retirement or medical care plans, while 7 percent of employees in establishment with 500 or more employees do not have access to either benefit. (See table 2.) ●

TABLE 1

Employer costs for employee compensation, civilian workers, March 2009

Compensation component	Cost per hour worked	Percent of total compensation	Percent of benefits
Total compensation	\$29.39	100.0	—
Wages and salaries	20.49	69.7	—
Benefits	8.90	30.3	100.0
Paid leave	2.08	7.1	23.4
Supplemental pay	0.71	2.4	8.0
Insurances	2.52	8.6	28.3
Health insurance	2.37	8.1	26.6
Retirement and savings	1.31	4.5	14.7
Defined benefit plans	0.80	2.7	9.0
Defined contribution plans	0.51	1.7	5.7
Legally required benefits	2.28	7.8	25.6