

# National Compensation Survey: Retirement Benefits in State and Local Governments in the United States, 2007



U.S. Department of Labor  
U.S. Bureau of Labor Statistics  
May 2008

Summary 08-03

**E**ighty-two percent of State and local government employees participating in defined benefit retirement plans were covered by early retirement provisions in 2007. Almost all workers (95 percent) were in plans with disability retirement provisions, and more than half (56 percent) had portability provisions. Virtually all workers participating in defined benefit plans had their retirement benefits calculated on the basis of their preretirement earnings. Ninety-three percent of participants were in plans allowing newly hired employees to participate; the remainder were in plans that are closed to new employees. Eighty-one percent could begin their plan participation immediately upon being hired. (See tables 1 and 2.)

This summary presents findings of the 2007 National Compensation Survey (NCS) regarding detailed provisions of retirement plans in State and local governments. The survey was conducted by the Bureau of Labor Statistics. Data on the incidence and provisions of selected benefit plans for State and local government workers for September 2007 were published earlier this year. (This release can be found at <http://www.bls.gov/ncs/ebs/sp/ebsm0007.pdf>.)

## Defined benefit plans

Ninety percent of State and local government employees participating in defined benefit plans were in State-sponsored plans. Almost all defined benefit plan participants (96 percent) in educational services were in State-sponsored plans, compared with 81 percent in public administration. Among occupational groups, the percentage of workers in plans sponsored by local governments ranged from 3 percent among teachers to 20 percent among protective service occupations. (See table 3.)

## Benefit amount and form of payment

The most common benefit formula was a flat percentage of preretirement earnings per year of service, with most plans not integrated with Social Security. Seventy-nine percent of defined benefit plan participants were in plans that used such a formula, and 15 percent were in plans that used a formula designating a variable percentage per year of service. Where a flat-percent-per-year-of-service formula applied, the

median flat percent was 2 percent. For part-time and hospital workers, however, it was lower: 1.77 and 1.75 percent, respectively. (See tables 4, 5, and 6.)

Defined benefit plans have different definitions of preretirement earnings. Fifty-six percent of defined benefit plan participants were in plans that were based on a 3-year period, about evenly split between plans that used 3 consecutive years during which earnings were the highest and plans that used any 3 years during which earnings were the highest. Twenty-two percent of defined benefit plan participants were in plans that chose 5 years as a period on the basis of which to calculate preretirement earnings. (See table 7.)

Only 11 percent of defined benefit plan participants were in plans imposing a maximum on the number of years of service that could be used for calculating retirement benefits. A median maximum number of years of service of 35 was common; however, for protective service occupations and production, transportation, and material moving occupations, the median maximum was 30 years. (See table 8.)

Although defined benefit plans are designed to provide a stream of monthly payments over a lifetime, 49 percent of defined benefit plan participants could receive their benefit in the form of a lump sum. Nonunion workers were in plans offering the lump-sum option more frequently than union workers (60 percent and 39 percent, respectively). Twenty-one percent of all workers participating in retirement plans could receive a full lump sum, and 28 percent could opt for a partial lump sum with a reduced annuity. (See table 9.)

## Requirements for normal and early retirement

Participants in defined benefit plans can receive full benefits after they meet the plan's normal retirement requirements, which typically involve completing a service requirement. One out of 4 participants could receive full benefits at any age once a service requirement was met. In addition, an age requirement for normal retirement was imposed on 56 percent of defined benefit plan participants, while a sum-of-age-plus service requirement was imposed on 19 percent. Thirteen percent of defined benefit plan participants could retire at age 55, but more than half of them had to have more than 30 years of service. Nine percent could retire at age 60; of those,

two-thirds had to have at least 10 years of service. Workers in protective service occupations were more likely to be eligible to retire with an unreduced benefit at age 55 and with fewer than 30 years of service than were their counterparts in professional and related occupations. (See tables 10 and 11.)

Eighty-two percent of participants in defined benefit plans could retire early with a reduced benefit. Fourteen percent of those eligible could retire at any age, but a service requirement of 30 years was imposed on 8 percent of this group of participants. Twenty-four percent could retire with a reduced benefit prior to age 55, but frequently they had to fulfill a service requirement of at least 10 years. (See tables 12, 13, and 14.)

### **Disability retirement and survivor benefits**

Disability retirement benefits were available to 95 percent of participants in defined benefit plans. For 71 percent of workers, disability retirement could begin immediately. Postretirement survivor benefits were available to nearly all participants in defined benefit plans. The most prevalent method of providing survivor benefits was a joint-and-survivor annuity, which reduces the participant's annuity and provides the surviving spouse a percentage of that annuity after the participant's death. Preretirement survivor benefits also were available to almost all participants (98 percent). The most common form of this provision was an annuity equivalent to the joint-and-survivor benefit, and the majority of participants with a preretirement survivor annuity could choose the percentage of preretirement earnings that the survivor annuity would equal. (See tables 15, 16, and 17.)

### **Vesting, portability, and purchase of service credits**

Vesting defines the number of years of service necessary to earn an unforfeitable benefit under a retirement plan. Eighty-nine percent of defined benefit plan participants were in plans with cliff vesting, meaning that the participants had no vested rights to future benefits until they met a service requirement, such as 5 years, at which point they were 100 percent vested. Other types of vesting requirements were rare. (See table 18.)

Sixty-four percent of defined benefit plan participants could begin receiving their vested benefits upon eligibility for early retirement. Fifty-six percent of defined benefit plan participants were in plans with portability provisions that allowed them to transfer accumulated benefits. About half of all participants in plans with portability provisions could transfer both their service credits and assets, while about one-third could transfer their service credits only. (See tables 19 and 20.)

State-sponsored plans allowed 83 percent of their participants in defined benefit plans to purchase credits for prior government service. This provision was available to 91 percent of teachers. (See table 21.)

## **Defined contribution plans**

Thirty-two percent of all workers participating in defined contribution plans were in savings and thrift plans, under which employees may contribute a predetermined portion of (usually pretax) earnings to an individual account, all or part of which the employer matches. Seventy percent were in money purchase plans, under which fixed employer contributions, typically calculated as a percentage of employee earnings, are allocated to individual employee accounts. Some were enrolled in both of these types of plans. Participation in such plans varied by employer and employee characteristics. For example, only 18 percent of defined contribution plan participants employed in educational services were enrolled in savings and thrift plans, compared with 50 percent of participants employed in hospitals. Nonunion workers participated in savings and thrifts in greater numbers than their union counterparts (36 percent, as opposed to 25 percent). (See table 22.)

Seventy-one percent of workers were in plans with State government sponsors, compared with 35 percent with local government sponsors. (See table 23.)

### **Major provisions**

Seventy-six percent of participants in selected defined contribution plans were allowed to contribute to their plans on a pretax basis. In the health care and social assistance industry, 82 percent of participants could make pretax contributions, compared with 73 percent in educational services.

Sixty-five percent of participants were in plans allowing transfers of contributions from plans with a previous employer. Seventy-seven percent of union workers could take advantage of this provision, compared with 57 percent of nonunion workers. Sixty-two percent of defined contribution plan participants had a choice of investment for their own contributions, and 72 percent could decide how their employers' contributions would be invested. (See table 24.)

On average, 53 percent of defined contribution plan participants were in plans with immediate full vesting (a nonforfeitable right to benefits) of employer contributions (employee contributions are always fully vested). This number varied significantly, however, across employee groups. For example, only 28 percent of workers in production, transportation, and material moving occupations participating in selected defined contribution plans were eligible for immediate full vesting, compared with 69 percent of teachers. The incidence of immediate full vesting was higher for State employees (66 percent) than for employees in local governments (46 percent). These variations are due in part to the types of defined contribution plan in which workers participate.

Twenty-two percent of participants were in plans permitting loans, and 24 percent were in plans allowing withdrawals of contributions prior to retirement. Among

primary, secondary, and special education teachers, only 9 percent were in plans allowing loans and 13 percent were in plans allowing withdrawals. (See table 24.)

### **Age and service requirements**

Seventy-two percent of participants in selected defined contribution plans imposed no age or service requirements for participation. The remainder had to work for up to 12 months before becoming eligible. Eighty percent of plan participants in public administration could take advantage of immediate participation, compared with only 49 percent in

the health care and social assistance industry. (See table 25.)

### **Employer contributions to money purchase plans**

Sixty-five percent of workers in money purchase plans had their employers' contributions calculated on the basis of a fixed-percent-of-earnings formula, with a median contribution of 6.75 percent for workers in plans with a fixed-percent-of-contributions formula. Median employer contributions were higher for full-time and nonunion workers than for part-time and union workers (6.75 percent and 5.00 percent, respectively.) (See table 26.)



## Table of Contents

### Defined benefit plans

Table 1.	Summary of plan provisions	6
Table 2.	Eligibility requirements	8
Table 3.	Plan sponsor	10
Table 4.	Traditional plan formula	12
Table 5.	Integration with Social Security	14
Table 6.	Terminal earnings formulas: Type and provisions	16
Table 7.	Terminal earnings formula: Definition of terminal earnings	18
Table 8.	Maximum benefit provisions	20
Table 9.	Availability of lump-sum benefits at retirement	22
Table 10.	Age and service requirements for normal retirement	24
Table 11.	Selected age and service requirements for normal retirement	26
Table 12.	Early retirement availability	28
Table 13.	Selected age and service requirements for early retirement	30
Table 14.	Early retirement reductions	32
Table 15.	Disability retirement benefits	34
Table 16.	Postretirement survivor benefits	36
Table 17.	Preretirement survivor benefits	38
Table 18.	Vesting requirements	40
Table 19.	Provisions for early receipt of deferred vested benefits	42
Table 20.	Portability provisions	44
Table 21.	Purchase of credits for prior government service	46

### Defined contribution plans

Table 22.	Participation in types of plans with employer contributions	48
Table 23.	Plan sponsor	50
Table 24.	Selected defined contribution plans: Summary of provisions	52
Table 25.	Selected defined contribution plans: Eligibility requirements	54
Table 26.	Money purchase pension plans: Employer contributions	56

### Technical Note

Table 1.	Number of workers represented	61
----------	-------------------------------	----

<b>Appendix A.</b>	Retirement Income Benefits	62
--------------------	----------------------------	----

**Table 1. Defined benefit plans: Summary of plan provisions, State and local government workers, National Compensation Survey, 2007**

(All workers participating in defined benefit plans = 100 percent)

Characteristics	Benefits based on earnings	Benefits with integrated formula	Benefits subject to a maximum	Early retirement benefits available	Disability retirement benefits available	Portability provisions
All workers .....	98	4	11	82	95	56
<b>Worker characteristics</b>						
Management, professional, and related .....	98	4	11	86	95	57
Professional and related .....	98	3	11	87	96	58
Teachers .....	98	( <sup>1</sup> )	12	92	96	60
Primary, secondary, and special education school teachers .....	98	( <sup>1</sup> )	11	94	96	60
Service .....	98	5	14	75	95	55
Protective service .....	97	4	18	68	94	54
Sales and office .....	98	4	8	80	95	55
Office and administrative support .....	98	4	8	80	94	54
Natural resources, construction, and maintenance .....	99	4	10	85	92	52
Production, transportation, and material moving .....	97	( <sup>1</sup> )	10	83	93	61
Full time .....	98	4	11	83	95	56
Part time .....	99	7	13	78	95	56
Union .....	98	3	10	78	95	52
Nonunion .....	98	5	11	87	95	61
Average wage less than \$15 per hour <sup>2</sup> .....	97	3	10	86	94	58
Average wage \$15 per hour or higher <sup>2</sup> .....	98	4	11	81	95	56
Average wage less than \$24 per hour <sup>2</sup> .....	98	4	10	81	94	56
Average wage \$24 per hour or higher <sup>2</sup> .....	99	4	12	84	95	57
<b>Establishment characteristics</b>						
Education and health services .....	98	3	12	87	96	56
Educational services .....	98	3	12	87	96	57
Elementary and secondary schools ..	98	2	12	89	96	57
Junior colleges, colleges, and universities .....	99	( <sup>1</sup> )	12	79	95	56
Health care and social assistance .....	97	6	( <sup>1</sup> )	80	97	49
Hospitals .....	99	( <sup>1</sup> )	( <sup>1</sup> )	80	96	46
Public administration .....	98	5	10	74	93	56
1 to 99 workers .....	96	( <sup>1</sup> )	7	86	94	61
1 to 49 workers .....	96	( <sup>1</sup> )	( <sup>1</sup> )	84	93	58
50 to 99 workers .....	96	( <sup>1</sup> )	( <sup>1</sup> )	89	95	65
100 workers or more .....	98	4	11	82	95	56
100 to 499 workers .....	96	( <sup>1</sup> )	11	86	93	56
500 workers or more .....	99	4	11	81	96	56
State government .....	98	( <sup>1</sup> )	6	77	93	55
Local government .....	98	3	12	84	95	57

See footnotes at end of table.

**Table 1. Defined benefit plans: Summary of plan provisions, State and local government workers, National Compensation Survey, 2007—Continued**

(All workers participating in defined benefit plans = 100 percent)

Characteristics	Benefits based on earnings	Benefits with integrated formula	Benefits subject to a maximum	Early retirement benefits available	Disability retirement benefits available	Portability provisions
<b>Geographic areas</b>						
New England .....	92	19	( <sup>1</sup> )	51	76	54
Middle Atlantic .....	100	( <sup>1</sup> )	2	95	99	52
East North Central .....	100	( <sup>1</sup> )	32	91	96	49
West North Central .....	80	( <sup>1</sup> )	( <sup>1</sup> )	94	94	75
South Atlantic .....	100	1	10	97	99	46
East South Central .....	100	( <sup>1</sup> )	( <sup>1</sup> )	71	100	( <sup>1</sup> )
West South Central .....	100	( <sup>1</sup> )	6	88	100	80
Mountain .....	100	—	( <sup>1</sup> )	93	62	75
Pacific .....	100	8	3	52	98	59

<sup>1</sup> These data do not meet publication criteria.

<sup>2</sup> The wage breakouts are based on the average wage for each occupation surveyed, which may include workers both above and below the threshold. See the Technical Note for

more details.

NOTE: Dash indicates no workers in this category.

**Table 2. Defined benefit plans: Eligibility requirements, State and local government workers, National Compensation Survey, 2007**

(All workers participating in defined benefit plans = 100 percent)

Characteristics	Total	Plan participation available to new employees	Available to new employees				Plan participation not available to new employees
			With minimum age or service requirement	Service requirements		No minimum age or service requirement	
				Less than 12 months	More than 12 months		
All workers .....	100	93	12	5	6	81	7
<b>Worker characteristics</b>							
Management, professional, and related ....	100	93	10	4	6	83	6
Professional and related .....	100	93	9	3	5	84	7
Teachers .....	100	93	6	( <sup>1</sup> )	4	87	7
Primary, secondary, and special education school teachers .....	100	93	5	1	4	88	7
Service .....	100	92	10	4	6	82	8
Protective service .....	100	95	11	4	6	85	5
Sales and office .....	100	93	18	9	8	75	7
Office and administrative support .....	100	94	18	9	8	76	6
Natural resources, construction, and maintenance .....	100	95	13	8	4	82	5
Production, transportation, and material moving .....	100	89	17	7	9	72	11
Full time .....	100	94	12	5	6	82	6
Part time .....	100	85	9	( <sup>1</sup> )	6	76	15
Union .....	100	88	16	6	9	73	11
Nonunion .....	100	98	8	4	3	90	2
Average wage less than \$15 per hour <sup>2</sup> .....	100	93	8	4	3	85	7
Average wage \$15 per hour or higher <sup>2</sup> .....	100	93	13	6	7	80	7
Average wage less than \$24 per hour <sup>2</sup> .....	100	94	12	6	5	82	6
Average wage \$24 per hour or higher <sup>2</sup> .....	100	92	12	4	7	81	7
<b>Establishment characteristics</b>							
Education and health services .....	100	93	7	2	5	85	7
Educational services .....	100	92	5	1	4	87	8
Elementary and secondary schools ..	100	91	5	( <sup>1</sup> )	4	86	9
Junior colleges, colleges, and universities .....	100	96	7	( <sup>1</sup> )	4	90	4
Health care and social assistance .....	100	95	26	7	14	69	5
Hospitals .....	100	93	28	8	13	66	7
Public administration .....	100	95	18	9	8	77	5
1 to 99 workers .....	100	95	13	8	3	82	5
1 to 49 workers .....	100	96	17	11	( <sup>1</sup> )	78	( <sup>1</sup> )
50 to 99 workers .....	100	95	9	( <sup>1</sup> )	3	86	( <sup>1</sup> )
100 workers or more .....	100	93	12	5	6	81	7
100 to 499 workers .....	100	93	14	5	8	79	7
500 workers or more .....	100	93	11	5	6	82	7
State government .....	100	97	20	10	9	77	3
Local government .....	100	92	9	4	5	83	8

See footnotes at end of table.



**Table 2. Defined benefit plans: Eligibility requirements, State and local government workers, National Compensation Survey, 2007—Continued**

(All workers participating in defined benefit plans = 100 percent)

Characteristics	Total	Plan participation available to new employees	Available to new employees				Plan participation not available to new employees
			With minimum age or service requirement	Service requirements		No minimum age or service requirement	
				Less than 12 months	More than 12 months		
<b>Geographic areas</b>							
New England .....	100	97	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	95	( <sup>1</sup> )
Middle Atlantic .....	100	70	30	( <sup>1</sup> )	( <sup>1</sup> )	39	30
East North Central .....	100	88	( <sup>1</sup> )	( <sup>1</sup> )	—	85	11
West North Central .....	100	95	( <sup>1</sup> )	( <sup>1</sup> )	—	89	5
South Atlantic .....	100	100	4	( <sup>1</sup> )	( <sup>1</sup> )	96	( <sup>1</sup> )
East South Central .....	100	100	( <sup>1</sup> )	( <sup>1</sup> )	—	97	—
West South Central .....	100	98	11	( <sup>1</sup> )	( <sup>1</sup> )	87	( <sup>1</sup> )
Mountain .....	100	100	( <sup>1</sup> )	( <sup>1</sup> )	—	100	—
Pacific .....	100	96	26	( <sup>1</sup> )	( <sup>1</sup> )	70	3

<sup>1</sup> These data do not meet publication criteria.

<sup>2</sup> The wage breakouts are based on the average wage for each occupation surveyed, which may include workers both above and below the threshold. See the Technical Note for more details.

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

**Table 3. Defined benefit plans: Plan sponsor,<sup>1</sup> State and local government workers, National Compensation Survey, 2007**

(All workers participating in defined benefit plans = 100 percent)

Characteristics	State government sponsor	Local government sponsor
All workers .....	90	10
<b>Worker characteristics</b>		
Management, professional, and related ....	93	7
Professional and related .....	94	6
Teachers .....	97	3
Primary, secondary, and special education school teachers .....	98	( <sup>2</sup> )
Service .....	84	16
Protective service .....	80	20
Sales and office .....	87	13
Office and administrative support .....	87	13
Natural resources, construction, and maintenance .....	85	15
Production, transportation, and material moving .....	81	19
Full time .....	90	10
Part time .....	91	9
Union .....	86	14
Nonunion .....	94	6
Average wage less than \$15 per hour <sup>3</sup> ....	92	8
Average wage \$15 per hour or higher <sup>3</sup> ....	89	11
Average wage less than \$24 per hour <sup>3</sup> ....	89	11
Average wage \$24 per hour or higher <sup>3</sup> ....	91	9
<b>Establishment characteristics</b>		
Education and health services .....	95	5
Educational services .....	96	4
Elementary and secondary schools ..	96	4
Junior colleges, colleges, and universities .....	97	3
Health care and social assistance .....	86	14
Hospitals .....	78	22
Public administration .....	81	19
1 to 99 workers .....	95	( <sup>2</sup> )
1 to 49 workers .....	96	4
50 to 99 workers .....	95	( <sup>2</sup> )
100 workers or more .....	89	11
100 to 499 workers .....	95	5
500 workers or more .....	87	13
State government .....	100	( <sup>2</sup> )
Local government .....	87	13

See footnotes at end of table.

**Table 3. Defined benefit plans: Plan sponsor,<sup>1</sup> State and local government workers, National Compensation Survey, 2007—Continued**

(All workers participating in defined benefit plans = 100 percent)

Characteristics	State government sponsor	Local government sponsor
<b>Geographic areas</b>		
New England .....	80	20
Middle Atlantic .....	75	25
East North Central .....	91	9
West North Central .....	97	( <sup>2</sup> )
South Atlantic .....	93	7
East South Central .....	95	( <sup>2</sup> )
West South Central .....	95	( <sup>2</sup> )
Mountain .....	94	6
Pacific .....	89	11

<sup>1</sup> Based on the sponsorship of the benefit plan rather than the affiliation of the employees participating. For example, many local school district workers belong to State-sponsored retirement plans. State-sponsored benefits can be partially or totally State funded.

<sup>2</sup> These data do not meet publication criteria.

<sup>3</sup> The wage breakouts are based on the average wage for each occupation surveyed, which may include workers both above and below the threshold. See the Technical Note for more details.

**Table 4. Defined benefit plans: Traditional plan formula, State and local government workers, National Compensation Survey, 2007**

(All workers participating in defined benefit plans = 100 percent)

Characteristics	Traditional	Traditional plan formula		
		Percent of terminal earnings	Percent of career earnings	Dollar amount formula
All workers .....	100	96	2	( <sup>1</sup> )
<b>Worker characteristics</b>				
Management, professional, and related ....	100	97	1	( <sup>1</sup> )
Professional and related .....	100	97	1	( <sup>1</sup> )
Teachers .....	100	97	( <sup>1</sup> )	( <sup>1</sup> )
Primary, secondary, and special education school teachers .....	100	97	( <sup>2</sup> )	( <sup>1</sup> )
Service .....	99	95	3	1
Protective service .....	99	92	5	( <sup>1</sup> )
Sales and office .....	99	97	2	( <sup>1</sup> )
Office and administrative support .....	99	97	2	( <sup>1</sup> )
Natural resources, construction, and maintenance .....	100	97	( <sup>1</sup> )	( <sup>1</sup> )
Production, transportation, and material moving .....	100	96	( <sup>1</sup> )	( <sup>1</sup> )
Full time .....	100	96	2	( <sup>1</sup> )
Part time .....	100	99	( <sup>1</sup> )	( <sup>1</sup> )
Union .....	99	96	2	( <sup>1</sup> )
Nonunion .....	100	96	( <sup>1</sup> )	( <sup>1</sup> )
Average wage less than \$15 per hour <sup>3</sup> ....	99	96	1	( <sup>1</sup> )
Average wage \$15 per hour or higher <sup>3</sup> ....	100	97	2	( <sup>1</sup> )
Average wage less than \$24 per hour <sup>3</sup> ....	99	96	2	( <sup>1</sup> )
Average wage \$24 per hour or higher <sup>3</sup> ....	100	97	2	( <sup>1</sup> )
<b>Establishment characteristics</b>				
Education and health services .....	100	97	( <sup>1</sup> )	( <sup>1</sup> )
Educational services .....	100	97	( <sup>1</sup> )	( <sup>1</sup> )
Elementary and secondary schools ..	100	98	( <sup>2</sup> )	( <sup>1</sup> )
Junior colleges, colleges, and universities .....	100	96	( <sup>1</sup> )	( <sup>1</sup> )
Health care and social assistance .....	98	93	( <sup>1</sup> )	—
Hospitals .....	99	96	( <sup>1</sup> )	—
Public administration .....	99	95	3	( <sup>1</sup> )
1 to 99 workers .....	99	95	( <sup>1</sup> )	( <sup>1</sup> )
1 to 49 workers .....	99	95	( <sup>1</sup> )	( <sup>1</sup> )
50 to 99 workers .....	100	96	—	—
100 workers or more .....	100	96	2	( <sup>1</sup> )
100 to 499 workers .....	99	95	( <sup>1</sup> )	( <sup>1</sup> )
500 workers or more .....	100	97	2	( <sup>1</sup> )
State government .....	99	93	5	( <sup>1</sup> )
Local government .....	100	98	1	( <sup>1</sup> )

See footnotes at end of table.

**Table 4. Defined benefit plans: Traditional plan formula, State and local government workers, National Compensation Survey, 2007—Continued**

(All workers participating in defined benefit plans = 100 percent)

Characteristics	Traditional	Traditional plan formula		
		Percent of terminal earnings	Percent of career earnings	Dollar amount formula
<b>Geographic areas</b>				
New England .....	100	92	( <sup>1</sup> )	( <sup>1</sup> )
Middle Atlantic .....	100	95	( <sup>1</sup> )	( <sup>1</sup> )
East North Central .....	100	99	( <sup>1</sup> )	( <sup>1</sup> )
West North Central .....	95	80	( <sup>1</sup> )	( <sup>1</sup> )
South Atlantic .....	100	98	<sup>2</sup>	( <sup>1</sup> )
East South Central .....	100	99	( <sup>1</sup> )	—
West South Central .....	100	99	( <sup>1</sup> )	—
Mountain .....	100	100	—	—
Pacific .....	100	97	( <sup>1</sup> )	( <sup>1</sup> )

<sup>1</sup> These data do not meet publication criteria.

<sup>2</sup> Less than 0.5 percent.

<sup>3</sup> The wage breakouts are based on the average wage for each occupation surveyed, which may include workers both above and below the threshold.

See the Technical Note for more details.

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

**Table 5. Defined benefit plans: Integration with Social Security, State and local government workers, National Compensation Survey, 2007**

(All workers participating in defined benefit plans = 100 percent)

Characteristics	Total	With integrated formula	Type of integrated formula		Without integrated formula	Not covered under Social Security
			Social Security breakpoint <sup>1</sup>	Offset by Social Security <sup>2</sup>		
All workers .....	100	4	2	3	79	17
<b>Worker characteristics</b>						
Management, professional, and related .....	100	4	2	2	77	20
Professional and related .....	100	3	2	2	76	20
Teachers .....	100	( <sup>3</sup> )	( <sup>3</sup> )	( <sup>3</sup> )	72	26
Primary, secondary, and special education school teachers .....	100	( <sup>3</sup> )	( <sup>3</sup> )	–	72	27
Service .....	100	5	( <sup>3</sup> )	3	77	18
Protective service .....	100	4	( <sup>3</sup> )	( <sup>3</sup> )	73	23
Sales and office .....	100	4	2	2	84	13
Office and administrative support .....	100	4	2	2	83	13
Natural resources, construction, and maintenance .....	100	4	( <sup>3</sup> )	2	87	( <sup>3</sup> )
Production, transportation, and material moving .....	100	( <sup>3</sup> )	( <sup>3</sup> )	( <sup>3</sup> )	84	11
Full time .....	100	4	2	2	79	18
Part time .....	100	7	( <sup>3</sup> )	( <sup>3</sup> )	80	14
Union .....	100	3	( <sup>3</sup> )	3	74	23
Nonunion .....	100	5	3	2	84	12
Average wage less than \$15 per hour <sup>4</sup> .....	100	3	2	2	86	11
Average wage \$15 per hour or higher <sup>4</sup> .....	100	4	1	3	76	20
Average wage less than \$24 per hour <sup>4</sup> .....	100	4	2	3	83	12
Average wage \$24 per hour or higher <sup>4</sup> .....	100	4	1	2	73	23
<b>Establishment characteristics</b>						
Education and health services .....	100	3	( <sup>3</sup> )	2	78	19
Educational services .....	100	3	( <sup>3</sup> )	2	77	20
Elementary and secondary schools ..	100	2	( <sup>3</sup> )	1	77	21
Junior colleges, colleges, and universities .....	100	( <sup>3</sup> )	( <sup>3</sup> )	( <sup>3</sup> )	77	14
Health care and social assistance .....	100	6	( <sup>3</sup> )	( <sup>3</sup> )	84	10
Hospitals .....	100	( <sup>3</sup> )	( <sup>3</sup> )	( <sup>3</sup> )	82	10
Public administration .....	100	5	2	4	78	17
1 to 99 workers .....	100	( <sup>3</sup> )	( <sup>3</sup> )	2	85	( <sup>3</sup> )
1 to 49 workers .....	100	( <sup>3</sup> )	( <sup>3</sup> )	3	91	( <sup>3</sup> )
50 to 99 workers .....	100	( <sup>3</sup> )	( <sup>3</sup> )	( <sup>3</sup> )	80	18
100 workers or more .....	100	4	2	3	78	18
100 to 499 workers .....	100	( <sup>3</sup> )	( <sup>3</sup> )	( <sup>3</sup> )	79	19
500 workers or more .....	100	4	2	3	78	18
State government .....	100	( <sup>3</sup> )	( <sup>3</sup> )	( <sup>3</sup> )	82	13
Local government .....	100	3	1	2	78	19

See footnotes at end of table.

**Table 5. Defined benefit plans: Integration with Social Security, State and local government workers, National Compensation Survey, 2007—Continued**

(All workers participating in defined benefit plans = 100 percent)

Characteristics	Total	With integrated formula	Type of integrated formula		Without integrated formula	Not covered under Social Security
			Social Security breakpoint <sup>1</sup>	Offset by Social Security <sup>2</sup>		
<b>Geographic areas</b>						
New England .....	100	19	( <sup>3</sup> )	18	49	33
Middle Atlantic .....	100	( <sup>3</sup> )	( <sup>3</sup> )	( <sup>3</sup> )	69	30
East North Central .....	100	( <sup>3</sup> )	—	( <sup>3</sup> )	97	( <sup>3</sup> )
West North Central .....	100	( <sup>3</sup> )	( <sup>3</sup> )	( <sup>3</sup> )	84	15
South Atlantic .....	100	1	1	( <sup>3</sup> )	86	13
East South Central .....	100	( <sup>3</sup> )	( <sup>3</sup> )	( <sup>3</sup> )	78	( <sup>3</sup> )
West South Central .....	100	( <sup>3</sup> )	( <sup>3</sup> )	( <sup>3</sup> )	89	( <sup>3</sup> )
Mountain .....	100	—	—	—	64	( <sup>3</sup> )
Pacific .....	100	8	( <sup>3</sup> )	7	68	24

<sup>1</sup> Formula applies lower benefit rate to earnings subject to FICA (Social Security) taxes.

<sup>2</sup> Benefit as calculated by formula is reduced by portion of primary Social Security payment.

<sup>3</sup> These data do not meet publication criteria.

<sup>4</sup> The wage breakouts are based on the average wage for

each occupation surveyed, which may include workers both above and below the threshold. See the Technical Note for more details.

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

**Table 6. Terminal earnings formulas: Type and provisions, State and local government workers, National Compensation Survey, 2007**

(All workers participating in defined benefit plans with a terminal earnings formula = 100 percent)

Characteristics	Total	Flat percent per year of service	Flat percent per year of service					Percent per year varies	Percent per year varies by		Other
			10th percentile	25th percentile	50th percentile (median)	75th percentile	90th percentile		Service	Earnings	
All workers .....	100	79	1.10	1.67	2.00	2.30	2.60	15	13	( <sup>1</sup> )	( <sup>1</sup> )
<b>Worker characteristics</b>											
Management, professional, and related ....	100	83	1.10	1.67	2.00	2.30	2.50	12	10	( <sup>1</sup> )	( <sup>1</sup> )
Professional and related .....	100	84	1.10	1.67	2.00	2.30	2.50	11	10	( <sup>1</sup> )	( <sup>1</sup> )
Teachers .....	100	89	1.10	1.67	2.00	2.30	2.50	8	6	( <sup>1</sup> )	( <sup>1</sup> )
Primary, secondary, and special education school teachers .....	100	89	1.10	1.67	2.00	2.30	2.50	7	6	( <sup>1</sup> )	( <sup>1</sup> )
Service .....	100	73	1.25	1.70	2.00	2.50	3.00	19	18	( <sup>1</sup> )	( <sup>1</sup> )
Protective service .....	100	75	1.67	2.00	2.01	2.55	3.00	18	16	( <sup>1</sup> )	7
Sales and office .....	100	72	1.10	1.67	1.85	2.01	2.50	19	17	1	( <sup>1</sup> )
Office and administrative support .....	100	72	1.10	1.67	2.00	2.20	2.50	19	17	1	( <sup>1</sup> )
Natural resources, construction, and maintenance .....	100	73	1.40	1.75	2.00	2.20	3.00	19	18	( <sup>1</sup> )	( <sup>1</sup> )
Production, transportation, and material moving .....	100	74	1.10	1.67	2.00	2.20	2.50	20	19	( <sup>1</sup> )	( <sup>1</sup> )
Full time .....	100	79	1.10	1.67	2.00	2.30	2.75	14	13	( <sup>1</sup> )	( <sup>1</sup> )
Part time .....	100	72	1.10	1.10	1.77	2.01	2.50	22	21	( <sup>1</sup> )	( <sup>1</sup> )
Union .....	100	77	1.10	1.50	2.00	2.20	3.00	18	18	( <sup>1</sup> )	4
Nonunion .....	100	80	1.40	1.75	2.00	2.30	2.50	11	9	2	( <sup>1</sup> )
Average wage less than \$15 per hour <sup>2</sup> .....	100	75	1.15	1.70	2.00	2.30	3.00	15	13	( <sup>1</sup> )	( <sup>1</sup> )
Average wage \$15 per hour or higher <sup>2</sup> .....	100	80	1.10	1.67	2.00	2.30	2.50	15	13	1	6
Average wage less than \$24 per hour <sup>2</sup> .....	100	75	1.10	1.67	2.00	2.30	2.80	17	15	( <sup>1</sup> )	( <sup>1</sup> )
Average wage \$24 per hour or higher <sup>2</sup> .....	100	82	1.10	1.67	2.00	2.30	2.50	13	11	( <sup>1</sup> )	5
<b>Establishment characteristics</b>											
Education and health services .....	100	82	1.10	1.50	2.00	2.30	2.50	12	11	( <sup>1</sup> )	( <sup>1</sup> )
Educational services .....	100	84	1.10	1.50	2.00	2.30	2.50	11	10	( <sup>1</sup> )	( <sup>1</sup> )
Elementary and secondary schools ..	100	85	1.10	1.61	2.00	2.30	2.50	11	10	( <sup>1</sup> )	( <sup>1</sup> )
Junior colleges, colleges, and universities .....	100	78	1.10	1.50	2.00	2.20	2.35	11	9	( <sup>1</sup> )	( <sup>1</sup> )
Health care and social assistance .....	100	63	1.10	1.40	1.75	2.00	2.30	23	18	( <sup>1</sup> )	( <sup>1</sup> )
Hospitals .....	100	59	1.10	1.39	1.75	2.00	2.30	26	20	( <sup>1</sup> )	( <sup>1</sup> )
Public administration .....	100	73	1.40	1.70	2.00	2.40	3.00	19	17	2	8
1 to 99 workers .....	100	77	1.40	1.67	1.85	2.20	2.50	13	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )
1 to 49 workers .....	100	73	1.50	1.74	2.00	2.20	2.50	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )
50 to 99 workers .....	100	81	1.40	1.67	1.82	2.01	2.50	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )
100 workers or more .....	100	79	1.10	1.67	2.00	2.30	2.70	15	13	1	( <sup>1</sup> )
100 to 499 workers .....	100	77	1.25	1.70	2.00	2.20	2.50	15	14	( <sup>1</sup> )	( <sup>1</sup> )
500 workers or more .....	100	79	1.10	1.67	2.00	2.30	3.00	15	13	2	( <sup>1</sup> )
State government .....	100	79	1.10	1.67	2.00	2.20	2.50	14	12	( <sup>1</sup> )	( <sup>1</sup> )
Local government .....	100	79	1.10	1.67	2.00	2.30	2.70	15	14	1	( <sup>1</sup> )

See footnotes at end of table.



**Table 6. Terminal earnings formulas: Type and provisions, State and local government workers, National Compensation Survey, 2007—Continued**

(All workers participating in defined benefit plans with a terminal earnings formula = 100 percent)

Characteristics	Total	Flat percent per year of service	Flat percent per year of service					Percent per year varies	Percent per year varies by		Other
			10th percentile	25th percentile	50th percentile (median)	75th percentile	90th percentile		Service	Earnings	
<b>Geographic areas</b>											
New England .....	100	78	1.50	1.50	1.67	2.00	2.00	9	8	( <sup>1</sup> )	14
Middle Atlantic .....	100	54	2.00	2.00	2.00	2.50	2.50	44	44	( <sup>1</sup> )	( <sup>1</sup> )
East North Central .....	100	69	1.10	1.50	1.77	2.20	2.50	31	31	—	( <sup>1</sup> )
West North Central .....	100	99	1.61	1.70	2.00	2.00	2.50	( <sup>1</sup> )	( <sup>1</sup> )	—	( <sup>1</sup> )
South Atlantic .....	100	97	1.40	1.75	1.85	3.00	3.00	2	( <sup>1</sup> )	( <sup>1</sup> )	1
West South Central .....	100	98	2.00	2.30	2.30	2.30	2.50	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )
Mountain .....	100	48	1.67	2.00	2.35	2.50	2.50	( <sup>1</sup> )	( <sup>1</sup> )	—	( <sup>1</sup> )
Pacific .....	100	93	1.10	1.10	1.10	2.00	2.00	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	6

<sup>1</sup> These data do not meet publication criteria.

<sup>2</sup> The wage breakouts are based on the average wage for each occupation surveyed, which may include workers both above and below the threshold. See the Technical Note for more details.

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

**Table 7. Terminal earnings formulas: Definition of terminal earnings, State and local government workers, National Compensation Survey, 2007**

(All workers participating in defined benefit plans with a terminal earnings formula = 100 percent)

Characteristics	Total	One year	Three years			Five years			Other period
			Total	High 3	High consecutive 3	Total	High 5	High consecutive 5	
All workers .....	100	6	56	27	27	22	15	7	16
<b>Worker characteristics</b>									
Management, professional, and related ....	100	5	56	27	27	24	17	7	15
Professional and related .....	100	4	57	27	27	24	17	7	15
Teachers .....	100	1	59	27	31	26	19	7	15
Primary, secondary, and special education school teachers .....	100	1	57	25	30	27	21	6	15
Service .....	100	9	55	25	28	21	15	7	15
Protective service .....	100	9	58	26	30	18	12	6	14
Sales and office .....	100	9	54	28	23	19	12	7	19
Office and administrative support .....	100	9	54	28	24	19	12	7	18
Natural resources, construction, and maintenance .....	100	5	55	26	25	19	13	6	22
Production, transportation, and material moving .....	100	5	58	27	30	20	13	7	16
Full time .....	100	6	55	27	26	23	16	7	16
Part time .....	100	( <sup>1</sup> )	66	27	36	15	6	9	9
Union .....	100	9	65	29	33	18	9	9	8
Nonunion .....	100	2	46	24	19	27	22	6	24
Average wage less than \$15 per hour <sup>2</sup> .....	100	3	49	26	21	26	19	7	22
Average wage \$15 per hour or higher <sup>2</sup> .....	100	7	58	27	28	21	14	7	14
Average wage less than \$24 per hour <sup>2</sup> .....	100	7	54	29	23	22	15	7	18
Average wage \$24 per hour or higher <sup>2</sup> .....	100	5	58	25	30	23	16	8	14
<b>Establishment characteristics</b>									
Education and health services .....	100	5	54	25	27	26	18	7	15
Educational services .....	100	5	53	24	28	26	20	7	16
Elementary and secondary schools ..	100	( <sup>1</sup> )	53	23	28	27	21	6	15
Junior colleges, colleges, and universities .....	100	( <sup>1</sup> )	54	27	25	21	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )
Health care and social assistance .....	100	8	61	35	21	19	( <sup>1</sup> )	11	( <sup>1</sup> )
Hospitals .....	100	7	58	30	20	22	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )
Public administration .....	100	8	60	30	26	18	11	7	14
1 to 99 workers .....	100	3	57	34	21	20	11	9	21
1 to 49 workers .....	100	( <sup>1</sup> )	53	26	25	16	( <sup>1</sup> )	9	28
50 to 99 workers .....	100	( <sup>1</sup> )	60	42	18	23	14	( <sup>1</sup> )	( <sup>1</sup> )
100 workers or more .....	100	6	56	26	27	23	16	7	15
100 to 499 workers .....	100	( <sup>1</sup> )	60	30	27	20	11	8	17
500 workers or more .....	100	7	54	25	27	24	17	6	15
State government .....	100	9	56	31	24	19	11	7	17
Local government .....	100	5	56	26	27	24	17	7	16

See footnotes at end of table.

**Table 7. Terminal earnings formulas: Definition of terminal earnings, State and local government workers, National Compensation Survey, 2007—Continued**

(All workers participating in defined benefit plans with a terminal earnings formula = 100 percent)

Characteristics	Total	One year	Three years			Five years			Other period
			Total	High 3	High consecutive 3	Total	High 5	High consecutive 5	
<b>Geographic areas</b>									
New England .....	100	( <sup>1</sup> )	97	38	59	( <sup>1</sup> )	—	( <sup>1</sup> )	—
Middle Atlantic .....	100	( <sup>1</sup> )	98	35	63	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )
East North Central .....	100	3	55	44	11	14	( <sup>1</sup> )	3	28
West North Central .....	100	( <sup>1</sup> )	70	60	10	29	9	( <sup>1</sup> )	( <sup>1</sup> )
South Atlantic .....	100	—	31	12	19	34	32	( <sup>1</sup> )	35
East South Central .....	100	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	19	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )
West South Central .....	100	( <sup>1</sup> )	30	20	8	64	59	( <sup>1</sup> )	5
Mountain .....	100	( <sup>1</sup> )	94	11	68	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	—
Pacific .....	100	32	46	( <sup>1</sup> )	26	17	( <sup>1</sup> )	16	5

<sup>1</sup> These data do not meet publication criteria.

<sup>2</sup> The wage breakouts are based on the average wage for each occupation surveyed, which may include workers both above and below the threshold. See the Technical Note for more details.

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

**Table 8. Defined benefit plans: Maximum benefit provisions, State and local government workers, National Compensation Survey, 2007**

(All workers participating in defined benefit plans = 100 percent)

Characteristics	Total	Subject to maximum years of credited service	Maximum years of credited service					Not subject to maximum years of credited service	Not determinable
			10th percentile	25th percentile	50th percentile (median)	75th percentile	90th percentile		
All workers .....	100	11	30	30	35	40	40	86	3
<b>Worker characteristics</b>									
Management, professional, and related ....	100	11	30	34	35	40	40	86	3
Professional and related .....	100	11	30	34	35	40	40	86	3
Teachers .....	100	12	30	34	34	40	40	87	( <sup>1</sup> )
Primary, secondary, and special education school teachers .....	100	11	30	34	34	40	40	87	( <sup>1</sup> )
Service .....	100	14	25	30	30	37	40	83	3
Protective service .....	100	18	25	28	30	35	40	80	( <sup>1</sup> )
Sales and office .....	100	8	30	34	35	40	40	89	3
Office and administrative support .....	100	8	30	34	36	40	40	89	4
Natural resources, construction, and maintenance .....	100	10	30	35	35	40	40	87	( <sup>1</sup> )
Production, transportation, and material moving .....	100	10	30	30	30	40	40	83	( <sup>1</sup> )
Full time .....	100	11	30	30	35	40	40	86	3
Part time .....	100	13	30	30	35	40	40	84	( <sup>1</sup> )
Union .....	100	10	30	30	34	35	40	88	2
Nonunion .....	100	11	30	34	35	40	40	84	5
Average wage less than \$15 per hour <sup>2</sup> .....	100	10	30	30	35	40	40	84	6
Average wage \$15 per hour or higher <sup>2</sup> .....	100	11	30	30	34	40	40	87	2
Average wage less than \$24 per hour <sup>2</sup> .....	100	10	30	30	35	40	40	86	4
Average wage \$24 per hour or higher <sup>2</sup> .....	100	12	30	30	34	40	40	87	2
<b>Establishment characteristics</b>									
Education and health services .....	100	12	30	30	35	40	40	85	( <sup>1</sup> )
Educational services .....	100	12	30	34	35	40	40	85	( <sup>1</sup> )
Elementary and secondary schools ..	100	12	30	34	34	40	40	85	( <sup>1</sup> )
Junior colleges, colleges, and universities .....	100	12	30	35	36	40	40	84	( <sup>1</sup> )
Health care and social assistance .....	100	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	85	( <sup>1</sup> )
Hospitals .....	100	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	81	( <sup>1</sup> )
Public administration .....	100	10	25	30	34	37	40	87	3
1 to 99 workers .....	100	7	30	34	35	40	40	87	( <sup>1</sup> )
1 to 49 workers .....	100	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	93	( <sup>1</sup> )
50 to 99 workers .....	100	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	82	( <sup>1</sup> )
100 workers or more .....	100	11	30	30	35	40	40	86	3
100 to 499 workers .....	100	11	30	34	35	40	40	85	4
500 workers or more .....	100	11	27	30	34	40	40	86	3
State government .....	100	6	25	35	35	40	40	87	6
Local government .....	100	12	30	30	34	40	40	86	( <sup>1</sup> )

See footnotes at end of table.

**Table 8. Defined benefit plans: Maximum benefit provisions, State and local government workers, National Compensation Survey, 2007—Continued**

(All workers participating in defined benefit plans = 100 percent)

Characteristics	Total	Subject to maximum years of credited service	Maximum years of credited service					Not subject to maximum years of credited service	Not determinable
			10th percentile	25th percentile	50th percentile (median)	75th percentile	90th percentile		
<b>Geographic areas</b>									
New England .....	100	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	91	9
Middle Atlantic .....	100	2	30	30	30	30	30	97	( <sup>1</sup> )
East North Central .....	100	32	30	30	34	40	40	62	( <sup>1</sup> )
West North Central .....	100	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	65	( <sup>1</sup> )
South Atlantic .....	100	10	25	28	40	40	40	89	( <sup>1</sup> )
East South Central .....	100	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	92	—
West South Central .....	100	6	30	30	30	30	30	92	( <sup>1</sup> )
Mountain .....	100	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	78	6
Pacific .....	100	3	30	30	30	30	33	96	( <sup>1</sup> )

<sup>1</sup> These data do not meet publication criteria.

<sup>2</sup> The wage breakouts are based on the average wage for each occupation surveyed, which may include workers both above and below the threshold. See the Technical Note for more details.

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

**Table 9. Defined benefit plans: Availability of lump-sum benefits at retirement, State and local government workers, National Compensation Survey, 2007**

(All workers participating in defined benefit plans = 100 percent)

Characteristics	Total	With lump sum available	Type of lump sum available		No lump sum available	Not determinable
			Full lump sum available	Partial lump sum with reduced annuity		
All workers .....	100	49	21	28	48	3
<b>Worker characteristics</b>						
Management, professional, and related ....	100	52	21	31	45	3
Professional and related .....	100	53	20	32	45	3
Teachers .....	100	58	20	37	40	( <sup>1</sup> )
Primary, secondary, and special education school teachers .....	100	58	21	37	39	( <sup>1</sup> )
Service .....	100	44	20	23	51	4
Protective service .....	100	43	21	21	50	7
Sales and office .....	100	46	21	24	51	3
Office and administrative support .....	100	47	22	25	50	3
Natural resources, construction, and maintenance .....	100	43	20	22	50	7
Production, transportation, and material moving .....	100	42	17	25	54	( <sup>1</sup> )
Full time .....	100	50	21	28	47	3
Part time .....	100	40	14	26	55	( <sup>1</sup> )
Union .....	100	39	20	18	58	4
Nonunion .....	100	60	21	38	37	3
Average wage less than \$15 per hour <sup>2</sup> .....	100	53	22	30	45	3
Average wage \$15 per hour or higher <sup>2</sup> .....	100	48	20	27	49	4
Average wage less than \$24 per hour <sup>2</sup> .....	100	48	21	26	48	4
Average wage \$24 per hour or higher <sup>2</sup> .....	100	50	20	29	47	3
<b>Establishment characteristics</b>						
Education and health services .....	100	53	21	32	44	( <sup>1</sup> )
Educational services .....	100	54	22	33	43	( <sup>1</sup> )
Elementary and secondary schools ..	100	54	20	33	44	( <sup>1</sup> )
Junior colleges, colleges, and universities .....	100	57	29	28	42	( <sup>1</sup> )
Health care and social assistance .....	100	40	13	26	54	( <sup>1</sup> )
Hospitals .....	100	37	( <sup>1</sup> )	21	61	( <sup>1</sup> )
Public administration .....	100	42	20	21	53	5
1 to 99 workers .....	100	47	18	30	48	( <sup>1</sup> )
1 to 49 workers .....	100	49	20	29	45	( <sup>1</sup> )
50 to 99 workers .....	100	45	16	30	50	( <sup>1</sup> )
100 workers or more .....	100	49	21	28	48	3
100 to 499 workers .....	100	46	19	27	50	( <sup>1</sup> )
500 workers or more .....	100	50	22	28	47	3
State government .....	100	50	22	27	47	3
Local government .....	100	49	20	28	48	4

See footnotes at end of table.

**Table 9. Defined benefit plans: Availability of lump-sum benefits at retirement, State and local government workers, National Compensation Survey, 2007—Continued**

(All workers participating in defined benefit plans = 100 percent)

Characteristics	Total	With lump sum available	Type of lump sum available		No lump sum available	Not determinable
			Full lump sum available	Partial lump sum with reduced annuity		
<b>Geographic areas</b>						
New England .....	100	37	( <sup>1</sup> )	25	45	( <sup>1</sup> )
Middle Atlantic .....	100	8	2	( <sup>1</sup> )	92	( <sup>1</sup> )
East North Central .....	100	40	10	30	59	( <sup>1</sup> )
West North Central .....	100	48	( <sup>1</sup> )	45	52	( <sup>1</sup> )
South Atlantic .....	100	61	47	14	37	2
East South Central .....	100	62	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )
West South Central .....	100	76	( <sup>1</sup> )	71	23	( <sup>1</sup> )
Mountain .....	100	54	22	( <sup>1</sup> )	21	( <sup>1</sup> )
Pacific .....	100	54	25	29	45	( <sup>1</sup> )

<sup>1</sup> These data do not meet publication criteria.

<sup>2</sup> The wage breakouts are based on the average wage for each occupation surveyed, which may include workers both above and below the threshold. See the Technical Note for more details.

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

**Table 10. Defined benefit plans: Age and service requirements for normal retirement,<sup>1</sup> State and local government workers, National Compensation Survey, 2007**

(All workers participating in defined benefit plans = 100 percent)

Characteristics	Total	With a minimum service requirement only	With a minimum age requirement	With minimum sum-of-age-plus service requirement
All workers .....	100	25	56	19
<b>Worker characteristics</b>				
Management, professional, and related ....	100	25	55	20
Professional and related .....	100	25	54	21
Teachers .....	100	25	53	22
Primary, secondary, and special education school teachers .....	100	24	52	24
Service .....	100	23	61	16
Protective service .....	100	25	65	10
Sales and office .....	100	26	56	18
Office and administrative support .....	100	27	56	18
Natural resources, construction, and maintenance .....	100	27	53	20
Production, transportation, and material moving .....	100	19	63	18
Full time .....	100	25	56	19
Part time .....	100	23	63	15
Union .....	100	23	69	7
Nonunion .....	100	26	43	31
Average wage less than \$15 per hour <sup>2</sup> .....	100	25	47	28
Average wage \$15 per hour or higher <sup>2</sup> .....	100	24	59	16
Average wage less than \$24 per hour <sup>2</sup> .....	100	25	54	21
Average wage \$24 per hour or higher <sup>2</sup> .....	100	24	59	17
<b>Establishment characteristics</b>				
Education and health services .....	100	24	53	23
Educational services .....	100	24	53	23
Elementary and secondary schools ..	100	22	54	24
Junior colleges, colleges, and universities .....	100	32	51	18
Health care and social assistance .....	100	27	54	20
Hospitals .....	100	28	50	22
Public administration .....	100	26	62	13
1 to 99 workers .....	100	27	45	28
1 to 49 workers .....	100	25	48	27
50 to 99 workers .....	100	28	43	29
100 workers or more .....	100	24	58	18
100 to 499 workers .....	100	28	50	22
500 workers or more .....	100	23	60	17
State government .....	100	27	54	19
Local government .....	100	24	57	19

See footnotes at end of table.



**Table 10. Defined benefit plans: Age and service requirements for normal retirement,<sup>1</sup> State and local government workers, National Compensation Survey, 2007—Continued**

(All workers participating in defined benefit plans = 100 percent)

Characteristics	Total	With a minimum service requirement only	With a minimum age requirement	With minimum sum-of-age-plus service requirement
<b>Geographic areas</b>				
New England .....	100	56	43	( <sup>3</sup> )
Middle Atlantic .....	100	16	84	—
East North Central .....	100	24	62	14
West North Central .....	100	( <sup>3</sup> )	26	74
South Atlantic .....	100	11	86	( <sup>3</sup> )
East South Central .....	100	75	( <sup>3</sup> )	( <sup>3</sup> )
West South Central .....	100	15	( <sup>3</sup> )	77
Mountain .....	100	( <sup>3</sup> )	22	( <sup>3</sup> )
Pacific .....	100	23	77	( <sup>3</sup> )

<sup>1</sup> 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 any reduction due to age. Typically, plans specify a minimum length-of-service requirement and often a minimum age requirement as well.

<sup>2</sup> The wage breakouts are based on the average wage for each occupation surveyed, which may include workers

both above and below the threshold. See the Technical Note for more details.

<sup>3</sup> These data do not meet publication criteria.

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

**Table 11. Defined benefit plans: Selected age and service requirements<sup>1</sup> for normal retirement,<sup>2</sup> State and local government workers, National Compensation Survey, 2007**

(All workers participating in defined benefit plans = 100 percent)

Characteristics	Age 55		Age 60		Age 62	Age 65	
	Less than 30 years	30 years or more	Less than 10 years	10 years or more	Less than 10 years	Less than 10 years	10 years or more
All workers .....	5	8	3	6	5	4	1
<b>Worker characteristics</b>							
Management, professional, and related ....	3	9	2	7	4	4	1
Professional and related .....	2	9	2	7	4	4	1
Teachers .....	( <sup>3</sup> )	9	( <sup>4</sup> )	8	4	( <sup>4</sup> )	( <sup>4</sup> )
Primary, secondary, and special education school teachers .....	( <sup>4</sup> )	8	( <sup>4</sup> )	9	( <sup>4</sup> )	( <sup>4</sup> )	( <sup>4</sup> )
Service .....	10	5	4	4	7	3	( <sup>4</sup> )
Protective service .....	13	3	( <sup>4</sup> )	( <sup>4</sup> )	6	( <sup>4</sup> )	( <sup>4</sup> )
Sales and office .....	5	8	3	( <sup>4</sup> )	6	6	1
Office and administrative support .....	5	8	3	( <sup>4</sup> )	6	6	1
Natural resources, construction, and maintenance .....	5	8	4	7	5	7	( <sup>4</sup> )
Production, transportation, and material moving .....	7	10	( <sup>4</sup> )	6	9	( <sup>4</sup> )	( <sup>4</sup> )
Full time .....	4	8	3	6	5	4	1
Part time .....	8	7	( <sup>4</sup> )	3	6	4	( <sup>4</sup> )
Union .....	7	12	2	3	9	3	2
Nonunion .....	2	4	3	9	2	( <sup>4</sup> )	( <sup>4</sup> )
Average wage less than \$15 per hour <sup>5</sup> .....	4	5	5	7	3	5	1
Average wage \$15 per hour or higher <sup>5</sup> .....	5	9	2	6	6	4	1
Average wage less than \$24 per hour <sup>5</sup> .....	5	7	4	6	4	5	1
Average wage \$24 per hour or higher <sup>5</sup> .....	4	9	2	6	6	4	1
<b>Establishment characteristics</b>							
Education and health services .....	2	9	2	6	4	3	1
Educational services .....	2	8	( <sup>4</sup> )	7	4	( <sup>4</sup> )	1
Elementary and secondary schools ..	2	9	( <sup>4</sup> )	7	4	( <sup>4</sup> )	2
Junior colleges, colleges, and universities .....	2	8	( <sup>4</sup> )	( <sup>4</sup> )	( <sup>4</sup> )	( <sup>4</sup> )	( <sup>4</sup> )
Health care and social assistance .....	( <sup>4</sup> )	9	( <sup>4</sup> )	( <sup>4</sup> )	5	( <sup>4</sup> )	—
Hospitals .....	( <sup>4</sup> )	10	( <sup>4</sup> )	( <sup>4</sup> )	( <sup>4</sup> )	( <sup>4</sup> )	—
Public administration .....	9	7	4	5	7	5	( <sup>4</sup> )
1 to 99 workers .....	( <sup>4</sup> )	( <sup>4</sup> )	( <sup>4</sup> )	( <sup>4</sup> )	( <sup>4</sup> )	5	2
50 to 99 workers .....	( <sup>4</sup> )	( <sup>4</sup> )	( <sup>4</sup> )	6	( <sup>4</sup> )	( <sup>4</sup> )	( <sup>4</sup> )
100 workers or more .....	5	8	3	6	6	4	1
100 to 499 workers .....	5	6	4	5	( <sup>4</sup> )	5	2
500 workers or more .....	5	9	2	6	5	4	1
State government .....	4	9	( <sup>4</sup> )	4	4	( <sup>4</sup> )	( <sup>4</sup> )
Local government .....	5	8	2	7	6	4	2

See footnotes at end of table.

**Table 11. Defined benefit plans: Selected age and service requirements<sup>1</sup> for normal retirement,<sup>2</sup> State and local government workers, National Compensation Survey, 2007—Continued**

(All workers participating in defined benefit plans = 100 percent)

Characteristics	Age 55		Age 60		Age 62	Age 65	
	Less than 30 years	30 years or more	Less than 10 years	10 years or more	Less than 10 years	Less than 10 years	10 years or more
<b>Geographic areas</b>							
New England .....	( <sup>4</sup> )	4	( <sup>4</sup> )	( <sup>4</sup> )	( <sup>4</sup> )	( <sup>4</sup> )	( <sup>4</sup> )
Middle Atlantic .....	8	30	( <sup>4</sup> )	( <sup>4</sup> )	34	( <sup>4</sup> )	( <sup>4</sup> )
East North Central .....	8	2	( <sup>4</sup> )	12	( <sup>4</sup> )	( <sup>4</sup> )	( <sup>4</sup> )
South Atlantic .....	2	10	( <sup>4</sup> )	( <sup>4</sup> )	( <sup>4</sup> )	( <sup>4</sup> )	—
Pacific .....	7	( <sup>4</sup> )	( <sup>4</sup> )	( <sup>4</sup> )	( <sup>4</sup> )	( <sup>4</sup> )	( <sup>4</sup> )

<sup>1</sup> This table presents, for selected combinations, percentages of participants in plans that impose both age and service requirements for normal retirement. Plans with only age requirements and plans with a minimum age-plus-service requirement are not included.

<sup>2</sup> 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 any reduction due to age. Typically, plans specify a minimum length-of-service requirement and often a minimum

age requirement as well.

<sup>3</sup> Less than 0.5 percent.

<sup>4</sup> These data do not meet publication criteria.

<sup>5</sup> The wage breakouts are based on the average wage for each occupation surveyed, which may include workers both above and below the threshold. See the Technical Note for more details.

NOTE: Dash indicates no workers in this category.

**Table 12. Defined benefit plans: Early retirement<sup>1</sup> availability, State and local government workers, National Compensation Survey, 2007**

(All workers participating in defined benefit plans = 100 percent)

Characteristics	Total	Early retirement available	Early retirement not available	Not determinable
All workers .....	100	82	15	2
<b>Worker characteristics</b>				
Management, professional, and related ....	100	86	13	1
Professional and related .....	100	87	12	1
Teachers .....	100	92	7	( <sup>2</sup> )
Primary, secondary, and special education school teachers .....	100	94	5	( <sup>2</sup> )
Service .....	100	75	22	4
Protective service .....	100	68	28	4
Sales and office .....	100	80	18	2
Office and administrative support .....	100	80	18	2
Natural resources, construction, and maintenance .....	100	85	12	( <sup>2</sup> )
Production, transportation, and material moving .....	100	83	11	( <sup>2</sup> )
Full time .....	100	83	15	2
Part time .....	100	78	19	( <sup>2</sup> )
Union .....	100	78	20	2
Nonunion .....	100	87	11	2
Average wage less than \$15 per hour <sup>3</sup> .....	100	86	11	3
Average wage \$15 per hour or higher <sup>3</sup> .....	100	81	17	2
Average wage less than \$24 per hour <sup>3</sup> .....	100	81	16	3
Average wage \$24 per hour or higher <sup>3</sup> .....	100	84	15	1
<b>Establishment characteristics</b>				
Education and health services .....	100	87	11	2
Educational services .....	100	87	11	2
Elementary and secondary schools ..	100	89	9	3
Junior colleges, colleges, and universities .....	100	79	20	( <sup>2</sup> )
Health care and social assistance .....	100	80	18	( <sup>2</sup> )
Hospitals .....	100	80	19	( <sup>2</sup> )
Public administration .....	100	74	24	2
1 to 99 workers .....	100	86	12	( <sup>2</sup> )
1 to 49 workers .....	100	84	15	( <sup>2</sup> )
50 to 99 workers .....	100	89	9	( <sup>2</sup> )
100 workers or more .....	100	82	16	2
100 to 499 workers .....	100	86	12	2
500 workers or more .....	100	81	17	2
State government .....	100	77	22	( <sup>2</sup> )
Local government .....	100	84	13	2

See footnotes at end of table.

**Table 12. Defined benefit plans: Early retirement<sup>1</sup> availability, State and local government workers, National Compensation Survey, 2007—Continued**

(All workers participating in defined benefit plans = 100 percent)

Characteristics	Total	Early retirement available	Early retirement not available	Not determinable
<b>Geographic areas</b>				
New England .....	100	51	49	( <sup>2</sup> )
Middle Atlantic .....	100	95	5	( <sup>2</sup> )
East North Central .....	100	91	3	6
West North Central .....	100	94	( <sup>2</sup> )	( <sup>2</sup> )
South Atlantic .....	100	97	2	1
East South Central .....	100	71	( <sup>2</sup> )	( <sup>2</sup> )
West South Central .....	100	88	12	( <sup>2</sup> )
Mountain .....	100	93	( <sup>2</sup> )	( <sup>2</sup> )
Pacific .....	100	52	48	( <sup>2</sup> )

<sup>1</sup> 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.

<sup>2</sup> These data do not meet publication criteria.

<sup>3</sup> The wage breakouts are based on the average

wage for each occupation surveyed, which may include workers both above and below the threshold. See the Technical Note for more details.

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

**Table 13. Defined benefit plans: Selected age and service requirements for early retirement, State and local government workers, National Compensation Survey, 2007**

(All workers participating in defined benefit plans with early retirement = 100 percent)

Characteristics	No age requirement		Below age 55		Age 55			Age 60	Sum of age plus service requirement <sup>2</sup>
	Less than 30 years	30 years or more	Less than 10 years	10 years or more	No service requirement <sup>1</sup>	Less than 10 years	10 years or more	10 years or more	
All workers .....	6	8	11	13	( <sup>3</sup> )	16	28	( <sup>3</sup> )	2
<b>Worker characteristics</b>									
Management, professional, and related ....	6	( <sup>3</sup> )	11	12	7	17	27	( <sup>3</sup> )	( <sup>3</sup> )
Professional and related .....	6	( <sup>3</sup> )	10	11	7	18	27	( <sup>3</sup> )	( <sup>3</sup> )
Teachers .....	6	( <sup>3</sup> )	( <sup>3</sup> )	9	( <sup>3</sup> )	20	27	( <sup>3</sup> )	( <sup>3</sup> )
Primary, secondary, and special education school teachers .....	6	( <sup>3</sup> )	( <sup>3</sup> )	10	( <sup>3</sup> )	18	29	( <sup>3</sup> )	( <sup>3</sup> )
Service .....	4	( <sup>3</sup> )	16	18	( <sup>3</sup> )	11	28	1	3
Protective service .....	( <sup>3</sup> )	( <sup>3</sup> )	23	27	( <sup>3</sup> )	7	22	( <sup>3</sup> )	5
Sales and office .....	4	( <sup>3</sup> )	10	13	( <sup>3</sup> )	15	30	( <sup>3</sup> )	( <sup>3</sup> )
Office and administrative support .....	5	( <sup>3</sup> )	11	12	( <sup>3</sup> )	15	29	( <sup>3</sup> )	( <sup>3</sup> )
Natural resources, construction, and maintenance .....	( <sup>3</sup> )	( <sup>3</sup> )	( <sup>3</sup> )	14	( <sup>3</sup> )	17	29	( <sup>3</sup> )	( <sup>3</sup> )
Production, transportation, and material moving .....	( <sup>3</sup> )	5	( <sup>3</sup> )	15	( <sup>3</sup> )	14	34	( <sup>3</sup> )	( <sup>3</sup> )
Full time .....	6	8	12	14	( <sup>3</sup> )	15	27	( <sup>3</sup> )	2
Part time .....	( <sup>3</sup> )	( <sup>3</sup> )	( <sup>3</sup> )	6	( <sup>3</sup> )	23	37	( <sup>3</sup> )	( <sup>3</sup> )
Union .....	5	( <sup>3</sup> )	12	6	9	21	40	( <sup>3</sup> )	( <sup>3</sup> )
Nonunion .....	7	15	11	20	( <sup>3</sup> )	11	17	( <sup>3</sup> )	3
Average wage less than \$15 per hour <sup>4</sup> .....	( <sup>3</sup> )	10	13	15	( <sup>3</sup> )	12	23	( <sup>3</sup> )	( <sup>3</sup> )
Average wage \$15 per hour or higher <sup>4</sup> .....	5	8	11	13	( <sup>3</sup> )	17	30	( <sup>3</sup> )	2
Average wage less than \$24 per hour <sup>4</sup> .....	6	7	12	15	( <sup>3</sup> )	13	27	( <sup>3</sup> )	2
Average wage \$24 per hour or higher <sup>4</sup> .....	6	( <sup>3</sup> )	11	11	6	19	29	( <sup>3</sup> )	2
<b>Establishment characteristics</b>									
Education and health services .....	7	( <sup>3</sup> )	10	11	6	18	26	( <sup>3</sup> )	( <sup>3</sup> )
Educational services .....	6	( <sup>3</sup> )	( <sup>3</sup> )	10	6	18	25	( <sup>3</sup> )	( <sup>3</sup> )
Elementary and secondary schools ..	6	( <sup>3</sup> )	( <sup>3</sup> )	11	5	18	27	( <sup>3</sup> )	( <sup>3</sup> )
Junior colleges, colleges, and universities .....	( <sup>3</sup> )	( <sup>3</sup> )	( <sup>3</sup> )	9	( <sup>3</sup> )	19	15	( <sup>3</sup> )	( <sup>3</sup> )
Health care and social assistance .....	8	( <sup>3</sup> )	( <sup>3</sup> )	13	( <sup>3</sup> )	16	35	( <sup>3</sup> )	( <sup>3</sup> )
Hospitals .....	8	( <sup>3</sup> )	( <sup>3</sup> )	( <sup>3</sup> )	( <sup>3</sup> )	18	37	( <sup>3</sup> )	-
Public administration .....	5	( <sup>3</sup> )	16	19	( <sup>3</sup> )	11	29	( <sup>3</sup> )	3
1 to 99 workers .....	( <sup>3</sup> )	( <sup>3</sup> )	( <sup>3</sup> )	16	( <sup>3</sup> )	11	30	( <sup>3</sup> )	( <sup>3</sup> )
1 to 49 workers .....	( <sup>3</sup> )	( <sup>3</sup> )	( <sup>3</sup> )	( <sup>3</sup> )	( <sup>3</sup> )	( <sup>3</sup> )	27	( <sup>3</sup> )	( <sup>3</sup> )
50 to 99 workers .....	( <sup>3</sup> )	( <sup>3</sup> )	( <sup>3</sup> )	13	( <sup>3</sup> )	( <sup>3</sup> )	32	( <sup>3</sup> )	( <sup>3</sup> )
100 workers or more .....	6	9	12	13	( <sup>3</sup> )	16	28	( <sup>3</sup> )	2
100 to 499 workers .....	6	( <sup>3</sup> )	8	11	( <sup>3</sup> )	15	34	( <sup>3</sup> )	( <sup>3</sup> )
500 workers or more .....	6	10	13	14	( <sup>3</sup> )	17	26	( <sup>3</sup> )	2
State government .....	( <sup>3</sup> )	( <sup>3</sup> )	13	15	( <sup>3</sup> )	13	28	( <sup>3</sup> )	( <sup>3</sup> )
Local government .....	6	10	11	13	6	17	28	( <sup>3</sup> )	2

See footnotes at end of table.

**Table 13. Defined benefit plans: Selected age and service requirements for early retirement, State and local government workers, National Compensation Survey, 2007—Continued**

(All workers participating in defined benefit plans with early retirement = 100 percent)

Characteristics	No age requirement		Below age 55		Age 55			Age 60	Sum of age plus service requirement <sup>2</sup>
	Less than 30 years	30 years or more	Less than 10 years	10 years or more	No service requirement <sup>1</sup>	Less than 10 years	10 years or more	10 years or more	
<b>Geographic areas</b>									
New England .....	16	—	(3)	(3)	—	(3)	(3)	(3)	(3)
Middle Atlantic .....	(3)	(3)	(3)	(3)	(3)	34	57	(3)	(3)
East North Central .....	(3)	(3)	(3)	16	(3)	12	51	(3)	(3)
West North Central .....	—	(3)	(3)	(3)	(3)	15	(3)	—	(3)
South Atlantic .....	4	(3)	32	32	(3)	(3)	12	(3)	(3)
West South Central .....	(3)	(3)	(3)	4	—	(3)	(3)	(3)	(3)
Pacific .....	(3)	—	(3)	(3)	(3)	(3)	35	(3)	—

<sup>1</sup> Where no service requirement is specified for early retirement, the service required for full vesting, usually 5 years, applies.

<sup>2</sup> In some plans, participants must also satisfy a minimum age or service requirement. These plans are included in the totals for specific age and service requirements.

<sup>3</sup> These data do not meet publication criteria.

<sup>4</sup> The wage breakouts are based on the average wage for each occupation surveyed, which may include workers both above and below the threshold. See the Technical Note for more details.

NOTE: Dash indicates no workers in this category.

**Table 14. Defined benefit plans: Early retirement reductions,<sup>1</sup> State and local government workers, National Compensation Survey, 2007**

(All workers participating in defined benefit plans with early retirement = 100 percent)

Characteristics	Total	Uniform reduction <sup>2</sup>	Reduction varies by age or service	Actuarial reduction	Not determinable
All workers .....	100	62	25	10	3
<b>Worker characteristics</b>					
Management, professional, and related ....	100	62	25	9	3
Professional and related .....	100	63	25	9	3
Teachers .....	100	62	27	8	2
Primary, secondary, and special education school teachers .....	100	63	27	9	( <sup>3</sup> )
Service .....	100	62	23	11	4
Protective service .....	100	56	27	14	3
Sales and office .....	100	63	24	9	3
Office and administrative support .....	100	63	24	9	3
Natural resources, construction, and maintenance .....	100	53	30	13	( <sup>3</sup> )
Production, transportation, and material moving .....	100	60	21	18	( <sup>3</sup> )
Full time .....	100	62	24	10	3
Part time .....	100	53	34	8	5
Union .....	100	56	31	9	3
Nonunion .....	100	67	20	11	3
Average wage less than \$15 per hour <sup>4</sup> .....	100	65	22	10	3
Average wage \$15 per hour or higher <sup>4</sup> .....	100	61	26	10	3
Average wage less than \$24 per hour <sup>4</sup> .....	100	63	23	11	4
Average wage \$24 per hour or higher <sup>4</sup> .....	100	61	27	9	2
<b>Establishment characteristics</b>					
Education and health services .....	100	64	25	9	2
Educational services .....	100	65	25	9	2
Elementary and secondary schools ..	100	66	25	8	1
Junior colleges, colleges, and universities .....	100	65	23	( <sup>3</sup> )	( <sup>3</sup> )
Health care and social assistance .....	100	57	22	11	( <sup>3</sup> )
Hospitals .....	100	60	24	( <sup>3</sup> )	( <sup>3</sup> )
Public administration .....	100	57	25	13	5
1 to 99 workers .....	100	54	30	14	( <sup>3</sup> )
1 to 49 workers .....	100	47	35	( <sup>3</sup> )	( <sup>3</sup> )
50 to 99 workers .....	100	60	( <sup>3</sup> )	13	( <sup>3</sup> )
100 workers or more .....	100	63	24	10	3
100 to 499 workers .....	100	55	27	15	4
500 workers or more .....	100	66	23	8	3
State government .....	100	60	24	12	5
Local government .....	100	63	25	9	3

See footnotes at end of table.



**Table 14. Defined benefit plans: Early retirement reductions,<sup>1</sup> State and local government workers, National Compensation Survey, 2007—Continued**

(All workers participating in defined benefit plans with early retirement = 100 percent)

Characteristics	Total	Uniform reduction <sup>2</sup>	Reduction varies by age or service	Actuarial reduction	Not determinable
<b>Geographic areas</b>					
New England .....	100	33	37	( <sup>3</sup> )	—
Middle Atlantic .....	100	64	28	( <sup>3</sup> )	( <sup>3</sup> )
East North Central .....	100	49	25	10	( <sup>3</sup> )
West North Central .....	100	( <sup>3</sup> )	( <sup>3</sup> )	29	( <sup>3</sup> )
South Atlantic .....	100	93	3	( <sup>3</sup> )	( <sup>3</sup> )
East South Central .....	100	80	( <sup>3</sup> )	( <sup>3</sup> )	( <sup>3</sup> )
West South Central .....	100	69	19	11	( <sup>3</sup> )
Mountain .....	100	( <sup>3</sup> )	70	( <sup>3</sup> )	—
Pacific .....	100	36	54	( <sup>3</sup> )	( <sup>3</sup> )

<sup>1</sup> Reduction for each year prior to normal retirement.

<sup>2</sup> In specific cases, uniform 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.

<sup>3</sup> These data do not meet publication criteria.

<sup>4</sup> The wage breakouts are based on the average wage for

each occupation surveyed, which may include workers both above and below the threshold. See the Technical Note for more details.

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

**Table 15. Defined benefit plans: Disability retirement benefits, State and local government workers, National Compensation Survey, 2007**

(All workers participating in defined benefit plans = 100 percent)

Characteristics	Total	Disability retirement available	Disability retirement begins			Disability retirement not available	Not determinable
			Immediately	Deferred	Not determinable		
All workers .....	100	95	71	11	13	2	4
<b>Worker characteristics</b>							
Management, professional, and related ....	100	95	70	11	14	1	3
Professional and related .....	100	96	70	12	13	1	3
Teachers .....	100	96	70	11	14	( <sup>1</sup> )	( <sup>2</sup> )
Primary, secondary, and special education school teachers .....	100	96	70	11	15	( <sup>2</sup> )	( <sup>2</sup> )
Service .....	100	95	71	12	12	3	3
Protective service .....	100	94	71	10	13	( <sup>2</sup> )	3
Sales and office .....	100	95	71	11	12	( <sup>2</sup> )	( <sup>2</sup> )
Office and administrative support .....	100	94	71	11	12	( <sup>2</sup> )	( <sup>2</sup> )
Natural resources, construction, and maintenance .....	100	92	74	7	11	( <sup>2</sup> )	( <sup>2</sup> )
Production, transportation, and material moving .....	100	93	76	8	9	( <sup>2</sup> )	( <sup>2</sup> )
Full time .....	100	95	71	11	13	2	4
Part time .....	100	95	72	17	6	( <sup>2</sup> )	( <sup>2</sup> )
Union .....	100	95	66	13	15	2	( <sup>2</sup> )
Nonunion .....	100	95	76	9	10	( <sup>2</sup> )	4
Average wage less than \$15 per hour <sup>3</sup> ....	100	94	73	9	12	( <sup>2</sup> )	( <sup>2</sup> )
Average wage \$15 per hour or higher <sup>3</sup> ....	100	95	70	12	13	2	3
Average wage less than \$24 per hour <sup>3</sup> ....	100	94	71	12	12	2	4
Average wage \$24 per hour or higher <sup>3</sup> ....	100	95	71	11	13	2	3
<b>Establishment characteristics</b>							
Education and health services .....	100	96	70	13	12	1	( <sup>2</sup> )
Educational services .....	100	96	70	13	12	1	( <sup>2</sup> )
Elementary and secondary schools ..	100	96	69	14	13	1	( <sup>2</sup> )
Junior colleges, colleges, and universities .....	100	95	78	10	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )
Health care and social assistance .....	100	97	71	13	14	( <sup>2</sup> )	( <sup>2</sup> )
Hospitals .....	100	96	72	13	11	( <sup>2</sup> )	( <sup>2</sup> )
Public administration .....	100	93	70	9	15	3	4
1 to 99 workers .....	100	94	73	7	14	2	( <sup>2</sup> )
1 to 49 workers .....	100	93	78	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )
50 to 99 workers .....	100	95	69	7	19	2	( <sup>2</sup> )
100 workers or more .....	100	95	71	12	13	2	4
100 to 499 workers .....	100	93	73	11	9	3	( <sup>2</sup> )
500 workers or more .....	100	96	70	12	14	1	3
State government .....	100	93	71	11	( <sup>2</sup> )	3	4
Local government .....	100	95	71	11	13	1	( <sup>2</sup> )

See footnotes at end of table.

**Table 15. Defined benefit plans: Disability retirement benefits, State and local government workers, National Compensation Survey, 2007—Continued**

(All workers participating in defined benefit plans = 100 percent)

Characteristics	Total	Disability retirement available	Disability retirement begins			Disability retirement not available	Not determinable
			Immediately	Deferred	Not determinable		
<b>Geographic areas</b>							
New England .....	100	76	67	( <sup>2</sup> )	( <sup>2</sup> )	24	—
Middle Atlantic .....	100	99	84	15	( <sup>1</sup> )	( <sup>2</sup> )	( <sup>2</sup> )
East North Central .....	100	96	86	( <sup>2</sup> )	9	—	( <sup>2</sup> )
West North Central .....	100	94	58	( <sup>2</sup> )	12	( <sup>2</sup> )	( <sup>2</sup> )
South Atlantic .....	100	99	55	13	31	( <sup>2</sup> )	( <sup>2</sup> )
East South Central .....	100	100	89	( <sup>2</sup> )	( <sup>2</sup> )	—	—
West South Central .....	100	100	92	( <sup>2</sup> )	8	—	—
Mountain .....	100	62	58	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )
Pacific .....	100	98	57	27	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )

<sup>1</sup> Less than 0.5 percent.

<sup>2</sup> These data do not meet publication criteria.

<sup>3</sup> The wage breakouts are based on the average wage for each occupation surveyed, which may include workers both above and below the threshold.

See the Technical Note for more details.

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

**Table 16. Defined benefit plans: Postretirement survivor benefits, State and local government workers, National Compensation Survey, 2007**

(All workers participating in defined benefit plans = 100 percent)

Characteristics	Total	With post-retirement survivor benefits	Joint-and-survivor annuity <sup>1</sup>	Percentage of joint-and-survivor annuity <sup>1</sup>				Percent of accrued benefit
				50 percent	51 to 99 percent	Choice of percentages	Percentage not determinable	
All workers .....	100	100	90	6	8	72	3	10
<b>Worker characteristics</b>								
Management, professional, and related ....	100	100	91	6	8	74	2	9
Professional and related .....	100	100	91	6	8	74	2	9
Teachers .....	100	100	91	7	9	73	2	9
Primary, secondary, and special education school teachers .....	100	100	91	( <sup>2</sup> )	9	72	( <sup>2</sup> )	9
Service .....	100	100	88	7	9	66	5	12
Protective service .....	100	99	84	9	11	55	6	15
Sales and office .....	100	100	90	4	6	77	2	10
Office and administrative support .....	100	100	89	4	6	77	2	10
Natural resources, construction, and maintenance .....	100	99	89	8	( <sup>2</sup> )	68	4	10
Production, transportation, and material moving .....	100	98	86	7	( <sup>2</sup> )	68	( <sup>2</sup> )	12
Full time .....	100	100	90	6	8	72	2	10
Part time .....	100	100	96	10	( <sup>2</sup> )	80	( <sup>2</sup> )	4
Union .....	100	100	88	7	10	69	3	11
Nonunion .....	100	100	92	5	6	76	2	8
Average wage less than \$15 per hour <sup>3</sup> .....	100	100	93	5	7	76	2	6
Average wage \$15 per hour or higher <sup>3</sup> .....	100	100	89	6	8	71	3	11
Average wage less than \$24 per hour <sup>3</sup> .....	100	100	91	5	7	74	2	9
Average wage \$24 per hour or higher <sup>3</sup> .....	100	100	89	7	8	70	3	11
<b>Establishment characteristics</b>								
Education and health services .....	100	100	92	6	8	75	2	8
Educational services .....	100	100	92	6	8	75	2	8
Elementary and secondary schools ..	100	100	92	7	9	74	2	8
Junior colleges, colleges, and universities .....	100	100	90	( <sup>2</sup> )	( <sup>2</sup> )	78	( <sup>2</sup> )	10
Health care and social assistance .....	100	100	89	( <sup>2</sup> )	( <sup>2</sup> )	77	( <sup>2</sup> )	11
Hospitals .....	100	100	90	( <sup>2</sup> )	( <sup>2</sup> )	84	( <sup>2</sup> )	10
Public administration .....	100	100	87	6	10	66	4	12
1 to 99 workers .....	100	100	96	( <sup>2</sup> )	5	77	4	( <sup>2</sup> )
1 to 49 workers .....	100	100	96	( <sup>2</sup> )	( <sup>2</sup> )	75	( <sup>2</sup> )	( <sup>2</sup> )
50 to 99 workers .....	100	100	95	( <sup>2</sup> )	( <sup>2</sup> )	78	4	5
100 workers or more .....	100	100	90	6	8	72	2	10
100 to 499 workers .....	100	100	88	7	( <sup>2</sup> )	71	4	12
500 workers or more .....	100	100	90	6	9	72	2	9
State government .....	100	100	87	( <sup>2</sup> )	( <sup>2</sup> )	74	3	13
Local government .....	100	100	91	7	8	72	2	8

See footnotes at end of table.

**Table 16. Defined benefit plans: Postretirement survivor benefits, State and local government workers, National Compensation Survey, 2007—Continued**

(All workers participating in defined benefit plans = 100 percent)

Characteristics	Total	With post-retirement survivor benefits	Joint-and-survivor annuity <sup>1</sup>	Percentage of joint-and-survivor annuity <sup>1</sup>				Percent of accrued benefit
				50 percent	51 to 99 percent	Choice of percentages	Percentage not determinable	
<b>Geographic areas</b>								
New England .....	100	100	83	( <sup>2</sup> )	24	33	22	( <sup>2</sup> )
Middle Atlantic .....	100	100	66	( <sup>2</sup> )	( <sup>2</sup> )	63	( <sup>2</sup> )	34
East North Central .....	100	100	91	20	( <sup>2</sup> )	67	( <sup>2</sup> )	9
West North Central .....	100	100	100	( <sup>2</sup> )	( <sup>2</sup> )	94	( <sup>2</sup> )	( <sup>2</sup> )
South Atlantic .....	100	99	90	( <sup>2</sup> )	30	57	( <sup>2</sup> )	( <sup>2</sup> )
East South Central .....	100	100	93	—	( <sup>2</sup> )	69	( <sup>2</sup> )	( <sup>2</sup> )
West South Central .....	100	100	97	7	( <sup>2</sup> )	88	—	( <sup>2</sup> )
Mountain .....	100	98	97	( <sup>2</sup> )	( <sup>2</sup> )	70	( <sup>2</sup> )	1
Pacific .....	100	100	99	( <sup>2</sup> )	—	97	( <sup>2</sup> )	( <sup>2</sup> )

<sup>1</sup> 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 span over which payments are expected to be made. Employees and their spouses are required to waive the spouse annuity in writing if they desire either a pension during the employee's lifetime only or another option offered by the plan, such as a guarantee of payment for a specified period.

<sup>2</sup> These data do not meet publication criteria.

<sup>3</sup> The wage breakouts are based on the average wage for each occupation surveyed, which may include workers both above and below the threshold. See the Technical Note for more details.

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

**Table 17. Defined benefit plans: Preretirement survivor benefits, State and local government workers, National Compensation Survey, 2007**

(All workers participating in defined benefit plans = 100 percent)

Characteristics	Total	With preretirement survivor benefits <sup>1</sup>	Equivalent to joint-and-survivor annuity <sup>2</sup>	Percentage equivalent to joint-and-survivor annuity <sup>2</sup>			Percent of accrued benefit	Other <sup>4</sup>	Not determinable
				50 percent of employee's pension	Other percent of employee's pension <sup>3</sup>	Employee choice of percent			
All workers .....	100	98	71	16	7	47	13	14	2
<b>Worker characteristics</b>									
Management, professional, and related ....	100	97	72	15	7	49	13	13	2
Professional and related .....	100	97	72	16	6	49	13	12	2
Teachers .....	100	97	74	15	6	52	14	9	3
Primary, secondary, and special education school teachers .....	100	97	75	15	6	53	15	7	3
Service .....	100	97	68	15	7	45	16	13	( <sup>5</sup> )
Protective service .....	100	95	69	15	9	42	19	7	( <sup>5</sup> )
Sales and office .....	100	98	67	14	7	44	13	19	( <sup>5</sup> )
Office and administrative support .....	100	98	66	15	6	44	13	19	( <sup>5</sup> )
Natural resources, construction, and maintenance .....	100	99	76	23	( <sup>5</sup> )	43	10	13	( <sup>5</sup> )
Production, transportation, and material moving .....	100	99	70	19	( <sup>5</sup> )	44	14	15	( <sup>5</sup> )
Full time .....	100	98	70	15	7	47	14	14	2
Part time .....	100	99	74	21	( <sup>5</sup> )	47	7	17	( <sup>5</sup> )
Union .....	100	97	68	13	7	47	16	13	3
Nonunion .....	100	98	73	18	7	47	11	14	( <sup>5</sup> )
Average wage less than \$15 per hour <sup>6</sup> .....	100	98	72	18	6	48	10	17	( <sup>5</sup> )
Average wage \$15 per hour or higher <sup>6</sup> .....	100	97	70	15	7	47	14	13	2
Average wage less than \$24 per hour <sup>6</sup> .....	100	98	70	17	6	45	11	17	1
Average wage \$24 per hour or higher <sup>6</sup> .....	100	97	71	15	7	49	15	10	2
<b>Establishment characteristics</b>									
Education and health services .....	100	98	71	16	6	48	12	15	2
Educational services .....	100	98	71	16	6	49	12	15	2
Elementary and secondary schools ..	100	98	73	16	5	51	13	12	2
Junior colleges, colleges, and universities .....	100	99	60	13	( <sup>5</sup> )	39	9	30	( <sup>5</sup> )
Health care and social assistance .....	100	98	67	20	( <sup>5</sup> )	39	16	15	( <sup>5</sup> )
Hospitals .....	100	98	71	18	( <sup>5</sup> )	47	14	( <sup>5</sup> )	-
Public administration .....	100	97	70	15	8	45	16	11	2
1 to 99 workers .....	100	97	74	20	13	41	9	14	( <sup>5</sup> )
1 to 49 workers .....	100	98	80	18	19	44	( <sup>5</sup> )	( <sup>5</sup> )	( <sup>5</sup> )
50 to 99 workers .....	100	96	69	21	( <sup>5</sup> )	39	12	( <sup>5</sup> )	( <sup>5</sup> )
100 workers or more .....	100	98	70	15	6	48	14	14	2
100 to 499 workers .....	100	96	67	18	8	39	14	( <sup>5</sup> )	3
500 workers or more .....	100	98	71	14	5	50	14	13	1
State government .....	100	98	61	13	( <sup>5</sup> )	39	15	22	( <sup>5</sup> )
Local government .....	100	98	74	17	7	50	13	11	2

See footnotes at end of table.

**Table 17. Defined benefit plans: Preretirement survivor benefits, State and local government workers, National Compensation Survey, 2007—Continued**

(All workers participating in defined benefit plans = 100 percent)

Characteristics	Total	With preretirement survivor benefits <sup>1</sup>	Equivalent to joint-and-survivor annuity <sup>2</sup>	Percentage equivalent to joint-and-survivor annuity <sup>2</sup>			Percent of accrued benefit	Other <sup>4</sup>	Not determinable
				50 percent of employee's pension	Other percent of employee's pension <sup>3</sup>	Employee choice of percent			
<b>Geographic areas</b>									
New England .....	100	82	69	31	( <sup>5</sup> )	( <sup>5</sup> )	( <sup>5</sup> )	10	17
Middle Atlantic .....	100	100	68	16	( <sup>5</sup> )	47	31	( <sup>5</sup> )	( <sup>5</sup> )
East North Central .....	100	99	73	23	2	46	23	( <sup>5</sup> )	( <sup>5</sup> )
West North Central .....	100	98	94	( <sup>5</sup> )	( <sup>5</sup> )	70	( <sup>5</sup> )	( <sup>5</sup> )	( <sup>5</sup> )
South Atlantic .....	100	100	79	25	2	52	19	( <sup>5</sup> )	( <sup>5</sup> )
East South Central .....	100	93	( <sup>5</sup> )	( <sup>5</sup> )	( <sup>5</sup> )	( <sup>5</sup> )	( <sup>5</sup> )	( <sup>5</sup> )	—
West South Central .....	100	100	87	( <sup>5</sup> )	( <sup>5</sup> )	74	( <sup>5</sup> )	( <sup>5</sup> )	—
Mountain .....	100	96	93	( <sup>5</sup> )	( <sup>5</sup> )	64	( <sup>5</sup> )	( <sup>5</sup> )	( <sup>5</sup> )
Pacific .....	100	99	51	5	15	31	5	43	( <sup>5</sup> )

<sup>1</sup> Survivor annuity is based upon the benefit the employee would have received if retirement had occurred on the date of death.

<sup>2</sup> 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 span over which payments were expected to be made to both the retiree and the surviving spouse. The spouse's share is then the specified percentage of the reduced amount.

<sup>3</sup> Other percentages range from 51 percent to 100 percent of the retiree's pension.

<sup>4</sup> Includes annuity based on dollar amount formula or a percentage of earnings.

<sup>5</sup> These data do not meet publication criteria.

<sup>6</sup> The wage breakouts are based on the average wage for each occupation surveyed, which may include workers both above and below the threshold. See the Technical Note for more details.

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

**Table 18. Defined benefit plans: Vesting requirements, State and local government workers, National Compensation Survey, 2007**

(All workers participating in defined benefit plans = 100 percent)

Characteristics	Total	Immediate full vesting	Cliff vesting <sup>1</sup>	Graded vesting <sup>2</sup>	Not determinable
All workers .....	100	4	89	1	7
<b>Worker characteristics</b>					
Management, professional, and related ....	100	4	89	( <sup>3</sup> )	6
Professional and related .....	100	4	89	( <sup>3</sup> )	6
Teachers .....	100	( <sup>3</sup> )	88	—	6
Primary, secondary, and special education school teachers .....	100	( <sup>3</sup> )	87	—	6
Service .....	100	3	88	2	7
Protective service .....	100	5	84	3	9
Sales and office .....	100	2	91	( <sup>3</sup> )	7
Office and administrative support .....	100	2	90	( <sup>3</sup> )	7
Natural resources, construction, and maintenance .....	100	( <sup>3</sup> )	87	( <sup>3</sup> )	( <sup>3</sup> )
Production, transportation, and material moving .....	100	( <sup>3</sup> )	85	( <sup>3</sup> )	( <sup>3</sup> )
Full time .....	100	4	89	1	7
Part time .....	100	( <sup>3</sup> )	90	( <sup>3</sup> )	8
Union .....	100	3	89	1	8
Nonunion .....	100	( <sup>3</sup> )	89	( <sup>3</sup> )	6
Average wage less than \$15 per hour <sup>4</sup> .....	100	( <sup>3</sup> )	89	( <sup>3</sup> )	( <sup>3</sup> )
Average wage \$15 per hour or higher <sup>4</sup> .....	100	4	89	1	7
Average wage less than \$24 per hour <sup>4</sup> .....	100	( <sup>3</sup> )	89	( <sup>3</sup> )	7
Average wage \$24 per hour or higher <sup>4</sup> .....	100	5	89	1	6
<b>Establishment characteristics</b>					
Education and health services .....	100	4	90	( <sup>3</sup> )	6
Educational services .....	100	4	89	( <sup>3</sup> )	6
Elementary and secondary schools ..	100	5	89	( <sup>3</sup> )	6
Junior colleges, colleges, and universities .....	100	( <sup>3</sup> )	92	—	( <sup>3</sup> )
Health care and social assistance .....	100	( <sup>3</sup> )	95	—	( <sup>3</sup> )
Hospitals .....	100	—	97	—	( <sup>3</sup> )
Public administration .....	100	3	87	2	8
1 to 99 workers .....	100	( <sup>3</sup> )	84	( <sup>3</sup> )	( <sup>3</sup> )
1 to 49 workers .....	100	( <sup>3</sup> )	82	—	( <sup>3</sup> )
50 to 99 workers .....	100	( <sup>3</sup> )	86	( <sup>3</sup> )	9
100 workers or more .....	100	3	89	1	6
100 to 499 workers .....	100	4	88	( <sup>3</sup> )	7
500 workers or more .....	100	3	90	1	6
State government .....	100	( <sup>3</sup> )	92	—	7
Local government .....	100	4	88	1	7

See footnotes at end of table.



**Table 18. Defined benefit plans: Vesting requirements, State and local government workers, National Compensation Survey, 2007—Continued**

(All workers participating in defined benefit plans = 100 percent)

Characteristics	Total	Immediate full vesting	Cliff vesting <sup>1</sup>	Graded vesting <sup>2</sup>	Not determinable
<b>Geographic areas</b>					
New England .....	100	—	92	( 3 )	( 3 )
Middle Atlantic .....	100	( 3 )	99	( 3 )	( 3 )
East North Central .....	100	9	74	( 3 )	( 3 )
West North Central .....	100	( 3 )	89	( 3 )	( 3 )
South Atlantic .....	100	2	97	( 3 )	( 3 )
East South Central .....	100	( 3 )	87	( 3 )	( 3 )
West South Central .....	100	—	93	( 3 )	6
Mountain .....	100	( 3 )	61	( 3 )	( 3 )
Pacific .....	100	—	92	—	8

<sup>1</sup> 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.

<sup>2</sup> Graded 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.

<sup>3</sup> These data do not meet publication criteria.

<sup>4</sup> The wage breakouts are based on the average wage for each occupation surveyed, which may include workers both above and below the threshold. See the Technical Note for more details.

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

**Table 19. Defined benefit plans: Provisions for early receipt of deferred vested benefits, State and local government workers, National Compensation Survey, 2007**

(All workers participating in defined benefit plans = 100 percent)

Characteristics	Total	Immediate	Receipt allowed prior to normal retirement	Early retirement reduction			Receipt not allowed prior to normal retirement	Not determinable
				Same reduction as for early retirement	Other reduction	Not determinable		
All workers .....	100	4	64	60	1	2	27	6
<b>Worker characteristics</b>								
Management, professional, and related .....	100	4	66	63	( <sup>1</sup> )	3	25	5
Professional and related .....	100	4	67	64	( <sup>1</sup> )	3	24	5
Teachers .....	100	3	71	68	( <sup>1</sup> )	3	22	4
Primary, secondary, and special education school teachers .....	100	( <sup>1</sup> )	73	70	-	( <sup>1</sup> )	20	5
Service .....	100	4	58	53	( <sup>1</sup> )	( <sup>1</sup> )	33	5
Protective service .....	100	6	50	45	( <sup>1</sup> )	( <sup>1</sup> )	41	( <sup>1</sup> )
Sales and office .....	100	4	61	58	( <sup>1</sup> )	( <sup>1</sup> )	28	7
Office and administrative support .....	100	4	60	57	( <sup>1</sup> )	2	29	7
Natural resources, construction, and maintenance .....	100	( <sup>1</sup> )	65	59	( <sup>1</sup> )	( <sup>1</sup> )	22	( <sup>1</sup> )
Production, transportation, and material moving .....	100	( <sup>1</sup> )	57	52	( <sup>1</sup> )	( <sup>1</sup> )	27	10
Full time .....	100	4	64	60	1	2	27	5
Part time .....	100	( <sup>1</sup> )	62	55	( <sup>1</sup> )	( <sup>1</sup> )	29	7
Union .....	100	2	54	50	( <sup>1</sup> )	3	39	5
Nonunion .....	100	7	73	70	2	( <sup>1</sup> )	14	6
Average wage less than \$15 per hour <sup>2</sup> .....	100	( <sup>1</sup> )	71	66	( <sup>1</sup> )	( <sup>1</sup> )	16	8
Average wage \$15 per hour or higher <sup>2</sup> .....	100	4	61	58	1	2	30	5
Average wage less than \$24 per hour <sup>2</sup> .....	100	5	65	61	2	2	24	7
Average wage \$24 per hour or higher <sup>2</sup> .....	100	4	62	59	( <sup>1</sup> )	3	30	5
<b>Establishment characteristics</b>								
Education and health services .....	100	( <sup>1</sup> )	69	65	( <sup>1</sup> )	3	22	6
Educational services .....	100	( <sup>1</sup> )	70	66	( <sup>1</sup> )	3	21	6
Elementary and secondary schools ..	100	3	71	67	( <sup>1</sup> )	3	19	7
Junior colleges, colleges, and universities .....	100	( <sup>1</sup> )	62	59	( <sup>1</sup> )	( <sup>1</sup> )	31	( <sup>1</sup> )
Health care and social assistance .....	100	( <sup>1</sup> )	62	60	( <sup>1</sup> )	( <sup>1</sup> )	28	( <sup>1</sup> )
Hospitals .....	100	( <sup>1</sup> )	63	61	( <sup>1</sup> )	( <sup>1</sup> )	27	( <sup>1</sup> )
Public administration .....	100	6	54	50	2	2	36	5
1 to 99 workers .....	100	( <sup>1</sup> )	69	64	( <sup>1</sup> )	( <sup>1</sup> )	17	( <sup>1</sup> )
1 to 49 workers .....	100	( <sup>1</sup> )	63	60	( <sup>1</sup> )	( <sup>1</sup> )	19	( <sup>1</sup> )
50 to 99 workers .....	100	( <sup>1</sup> )	76	67	( <sup>1</sup> )	( <sup>1</sup> )	15	( <sup>1</sup> )
100 workers or more .....	100	4	63	59	1	2	28	5
100 to 499 workers .....	100	4	65	59	( <sup>1</sup> )	( <sup>1</sup> )	25	6
500 workers or more .....	100	4	62	59	1	2	29	5
State government .....	100	( <sup>1</sup> )	60	56	( <sup>1</sup> )	3	29	5
Local government .....	100	3	65	61	2	2	26	6

See footnotes at end of table.

**Table 19. Defined benefit plans: Provisions for early receipt of deferred vested benefits, State and local government workers, National Compensation Survey, 2007—Continued**

(All workers participating in defined benefit plans = 100 percent)

Characteristics	Total	Immediate	Receipt allowed prior to normal retirement	Early retirement reduction			Receipt not allowed prior to normal retirement	Not determinable
				Same reduction as for early retirement	Other reduction	Not determinable		
<b>Geographic areas</b>								
New England .....	100	( <sup>1</sup> )	26	26	—	—	73	( <sup>1</sup> )
Middle Atlantic .....	100	—	49	49	—	( <sup>1</sup> )	50	( <sup>1</sup> )
East North Central .....	100	( <sup>1</sup> )	82	73	( <sup>1</sup> )	( <sup>1</sup> )	10	6
West North Central .....	100	( <sup>1</sup> )	89	69	( <sup>1</sup> )	20	( <sup>1</sup> )	( <sup>1</sup> )
South Atlantic .....	100	( <sup>1</sup> )	92	91	( <sup>1</sup> )	( <sup>1</sup> )	5	2
West South Central .....	100	( <sup>1</sup> )	81	73	—	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )
Mountain .....	100	( <sup>1</sup> )	49	49	—	—	6	( <sup>1</sup> )
Pacific .....	100	( <sup>1</sup> )	26	25	( <sup>1</sup> )	( <sup>1</sup> )	67	( <sup>1</sup> )

<sup>1</sup> These data do not meet publication criteria.

<sup>2</sup> The wage breakouts are based on the average wage for each occupation surveyed, which may include workers both above and below the threshold. See the Technical Note for more details.

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

**Table 20. Defined benefit plans: Portability provisions, State and local government workers, National Compensation Survey, 2007**

(All workers participating in defined benefit plans = 100 percent)

Characteristics	Total	With portability provisions	Types of portability provisions					No portability provisions	Not determinable
			Transfer of service credits	Transfer of service assets	Transfer of service credits and assets	Lump sum over \$5,000 paid to separated employee	Other		
All workers .....	100	56	17	1	29	2	7	35	8
<b>Worker characteristics</b>									
Management, professional, and related ....	100	57	18	1	30	2	7	33	9
Professional and related .....	100	58	18	1	30	2	7	33	10
Teachers .....	100	60	22	( <sup>1</sup> )	30	( <sup>1</sup> )	6	30	10
Primary, secondary, and special education school teachers .....	100	60	22	( <sup>1</sup> )	29	( <sup>1</sup> )	7	30	10
Service .....	100	55	17	2	27	2	7	39	6
Protective service .....	100	54	16	2	25	( <sup>1</sup> )	7	40	6
Sales and office .....	100	55	15	( <sup>1</sup> )	28	( <sup>1</sup> )	8	38	7
Office and administrative support .....	100	54	15	( <sup>1</sup> )	28	( <sup>1</sup> )	8	39	7
Natural resources, construction, and maintenance .....	100	52	13	( <sup>1</sup> )	24	( <sup>1</sup> )	( <sup>1</sup> )	37	11
Production, transportation, and material moving .....	100	61	18	( <sup>1</sup> )	28	( <sup>1</sup> )	12	29	10
Full time .....	100	56	17	1	29	2	7	35	8
Part time .....	100	56	24	( <sup>1</sup> )	20	( <sup>1</sup> )	9	34	10
Union .....	100	52	23	1	21	2	5	41	7
Nonunion .....	100	61	10	1	36	3	10	29	10
Average wage less than \$15 per hour <sup>2</sup> .....	100	58	15	( <sup>1</sup> )	31	( <sup>1</sup> )	9	35	7
Average wage \$15 per hour or higher <sup>2</sup> .....	100	56	18	1	28	2	7	35	9
Average wage less than \$24 per hour <sup>2</sup> .....	100	56	15	1	29	3	8	36	8
Average wage \$24 per hour or higher <sup>2</sup> .....	100	57	19	1	28	2	6	34	9
<b>Establishment characteristics</b>									
Education and health services .....	100	56	18	( <sup>1</sup> )	29	( <sup>1</sup> )	7	34	10
Educational services .....	100	57	18	( <sup>1</sup> )	30	( <sup>1</sup> )	7	33	10
Elementary and secondary schools ..	100	57	19	( <sup>1</sup> )	29	( <sup>1</sup> )	6	33	10
Junior colleges, colleges, and universities .....	100	56	11	( <sup>1</sup> )	35	( <sup>1</sup> )	( <sup>1</sup> )	35	( <sup>1</sup> )
Health care and social assistance .....	100	49	15	( <sup>1</sup> )	22	( <sup>1</sup> )	( <sup>1</sup> )	41	10
Hospitals .....	100	46	13	( <sup>1</sup> )	20	( <sup>1</sup> )	( <sup>1</sup> )	47	( <sup>1</sup> )
Public administration .....	100	56	15	2	27	3	9	38	6
1 to 99 workers .....	100	61	16	( <sup>1</sup> )	29	( <sup>1</sup> )	( <sup>1</sup> )	31	8
1 to 49 workers .....	100	58	15	( <sup>1</sup> )	26	( <sup>1</sup> )	( <sup>1</sup> )	33	( <sup>1</sup> )
50 to 99 workers .....	100	65	17	( <sup>1</sup> )	32	( <sup>1</sup> )	( <sup>1</sup> )	29	6
100 workers or more .....	100	56	17	1	29	2	7	36	9
100 to 499 workers .....	100	56	23	3	21	2	7	36	8
500 workers or more .....	100	56	15	1	31	2	7	35	9
State government .....	100	55	15	1	30	2	7	36	9
Local government .....	100	57	18	1	28	2	7	35	8

See footnotes at end of table.

**Table 20. Defined benefit plans: Portability provisions, State and local government workers, National Compensation Survey, 2007—Continued**

(All workers participating in defined benefit plans = 100 percent)

Characteristics	Total	With portability provisions	Types of portability provisions					No portability provisions	Not determinable
			Transfer of service credits	Transfer of service assets	Transfer of service credits and assets	Lump sum over \$5,000 paid to separated employee	Other		
<b>Geographic areas</b>									
New England .....	100	54	(1)	(1)	29	—	18	43	(1)
Middle Atlantic .....	100	52	(1)	—	25	—	1	43	(1)
East North Central .....	100	49	30	(1)	(1)	(1)	(1)	33	18
West North Central .....	100	75	23	(1)	(1)	(1)	(1)	22	(1)
South Atlantic .....	100	46	(1)	(1)	32	(1)	(1)	45	9
West South Central .....	100	80	(1)	(1)	70	(1)	(1)	(1)	13
Mountain .....	100	75	(1)	(1)	(1)	24	—	(1)	(1)
Pacific .....	100	59	35	(1)	20	(1)	(1)	38	(1)

<sup>1</sup> These data do not meet publication criteria.

<sup>2</sup> The wage breakouts are based on the average wage for each occupation surveyed, which may include workers both above and below the threshold. See the Technical Note for more details.

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

**Table 21. Defined benefit plans: Purchase of credits for prior government service, State-sponsored plans, National Compensation Survey, 2007**

(All workers participating in State-sponsored defined benefit plans = 100 percent)

Characteristics	Total	Availability of credit		
		Allowed to purchase credit	Not allowed to purchase credit	Not determinable
All workers .....	100	83	14	3
<b>Worker characteristics</b>				
Management, professional, and related ....	100	85	12	3
Professional and related .....	100	86	11	3
Teachers .....	100	91	6	( <sup>1</sup> )
Primary, secondary, and special education school teachers .....	100	93	4	( <sup>1</sup> )
Service .....	100	80	17	3
Protective service .....	100	79	17	4
Sales and office .....	100	80	18	2
Office and administrative support .....	100	80	18	2
Natural resources, construction, and maintenance .....	100	83	15	2
Production, transportation, and material moving .....	100	80	15	4
Full time .....	100	84	13	3
Part time .....	100	77	22	( <sup>1</sup> )
Union .....	100	75	22	2
Nonunion .....	100	91	5	3
Average wage less than \$15 per hour <sup>2</sup> ....	100	90	8	3
Average wage \$15 per hour or higher <sup>2</sup> ....	100	82	16	3
Average wage less than \$24 per hour <sup>2</sup> ....	100	84	14	3
Average wage \$24 per hour or higher <sup>2</sup> ....	100	83	14	3
<b>Establishment characteristics</b>				
Education and health services .....	100	86	11	3
Educational services .....	100	87	11	3
Elementary and secondary schools ..	100	89	9	3
Junior colleges, colleges, and universities .....	100	79	20	( <sup>1</sup> )
Health care and social assistance .....	100	76	20	( <sup>1</sup> )
Hospitals .....	100	75	24	( <sup>1</sup> )
Public administration .....	100	78	18	4
1 to 99 workers .....	100	84	12	( <sup>1</sup> )
1 to 49 workers .....	100	81	13	( <sup>1</sup> )
50 to 99 workers .....	100	88	10	( <sup>1</sup> )
100 workers or more .....	100	83	14	3
100 to 499 workers .....	100	87	11	( <sup>1</sup> )
500 workers or more .....	100	82	15	3
State government .....	100	76	20	4
Local government .....	100	86	11	3

See footnotes at end of table.

**Table 21. Defined benefit plans: Purchase of credits for prior government service, State-sponsored plans, National Compensation Survey, 2007—Continued**

(All workers participating in State-sponsored defined benefit plans = 100 percent)

Characteristics	Total	Availability of credit		
		Allowed to purchase credit	Not allowed to purchase credit	Not determinable
<b>Geographic areas</b>				
New England .....	100	80	19	( <sup>1</sup> )
Middle Atlantic .....	100	66	34	—
East North Central .....	100	96	( <sup>1</sup> )	( <sup>1</sup> )
West North Central .....	100	71	19	( <sup>1</sup> )
South Atlantic .....	100	99	( <sup>1</sup> )	( <sup>1</sup> )
East South Central .....	100	92	—	( <sup>1</sup> )
West South Central .....	100	89	( <sup>1</sup> )	10
Mountain .....	100	98	( <sup>1</sup> )	( <sup>1</sup> )
Pacific .....	100	58	42	( <sup>1</sup> )

<sup>1</sup> These data do not meet publication criteria.

<sup>2</sup> The wage breakouts are based on the average wage for each occupation surveyed, which may include workers both above and below the threshold. See the Technical Note for more details.

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

**Table 22. Defined contribution plans:  
Participation in types of plans<sup>1</sup> with employer  
contributions, State and local government  
workers, National Compensation Survey, 2007**

(All workers participating in defined contribution plans = 100 percent)

Characteristics	Savings and thrift	Money purchase pension
All workers .....	32	70
<b>Worker characteristics</b>		
Management, professional, and related ....	29	73
Professional and related .....	28	74
Teachers .....	19	82
Primary, secondary, and special education school teachers .....	39	61
Service .....	39	63
Protective service .....	39	64
Sales and office .....	30	70
Office and administrative support .....	31	70
Natural resources, construction, and maintenance .....	35	64
Production, transportation, and material moving .....	30	64
Full time .....	32	70
Part time .....	27	67
Union .....	25	76
Nonunion .....	36	66
Average wage less than \$15 per hour <sup>2</sup> ....	34	67
Average wage \$15 per hour or higher <sup>2</sup> ....	31	71
Average wage less than \$24 per hour <sup>2</sup> ....	34	68
Average wage \$24 per hour or higher <sup>2</sup> ....	29	72
<b>Establishment characteristics</b>		
Education and health services .....	27	75
Educational services .....	18	83
Elementary and secondary schools ..	28	73
Junior colleges, colleges, and universities .....	( <sup>3</sup> )	94
Health care and social assistance .....	49	54
Hospitals .....	50	53
Public administration .....	34	68
1 to 99 workers .....	22	73
1 to 49 workers .....	( <sup>3</sup> )	71
50 to 99 workers .....	( <sup>3</sup> )	75
100 workers or more .....	33	69
100 to 499 workers .....	42	62
500 workers or more .....	31	71
State government .....	26	78
Local government .....	34	65

See footnotes at end of table.



**Table 22. Defined contribution plans:  
Participation in types of plans<sup>1</sup> with employer  
contributions, State and local government  
workers, National Compensation Survey,  
2007—Continued**

(All workers participating in defined contribution plans = 100 percent)

Characteristics	Savings and thrift	Money purchase pension
<b>Geographic areas</b>		
Middle Atlantic .....	( <sup>3</sup> )	89
East North Central .....	34	81
West North Central .....	( <sup>3</sup> )	66
South Atlantic .....	43	58
East South Central .....	59	50
West South Central .....	23	74
Mountain .....	( <sup>3</sup> )	77
Pacific .....	26	74

<sup>1</sup> The sum of savings and thrift and money purchase pension plans may exceed 100 percent because some workers participate in both types of plans.

<sup>2</sup> The wage breakouts are based on the average wage for

each occupation surveyed, which may include workers both above and below the threshold. See the Technical Note for more details.

<sup>3</sup> These data do not meet publication criteria.

**Table 23. Defined contribution plans: Plan sponsor,<sup>1</sup>  
State and local government workers, National  
Compensation Survey, 2007**

(All workers participating in defined contribution plans = 100 percent)

Characteristics	State government sponsor	Local government sponsor
All workers .....	71	35
<b>Worker characteristics</b>		
Management, professional, and related ....	72	34
Professional and related .....	72	33
Teachers .....	71	33
Primary, secondary, and special education school teachers .....	73	34
Service .....	73	33
Protective service .....	74	29
Sales and office .....	72	34
Office and administrative support .....	70	35
Natural resources, construction, and maintenance .....	57	46
Production, transportation, and material moving .....	53	58
Full time .....	71	35
Part time .....	65	37
Union .....	66	36
Nonunion .....	73	34
Average wage less than \$15 per hour <sup>2</sup> ....	75	35
Average wage \$15 per hour or higher <sup>2</sup> ....	69	35
Average wage less than \$24 per hour <sup>2</sup> ....	74	33
Average wage \$24 per hour or higher <sup>2</sup> ....	67	37
<b>Establishment characteristics</b>		
Education and health services .....	69	38
Educational services .....	74	29
Elementary and secondary schools ..	59	46
Junior colleges, colleges, and universities .....	89	( <sup>3</sup> )
Health care and social assistance .....	58	57
Hospitals .....	58	60
Public administration .....	75	28
1 to 99 workers .....	72	32
1 to 49 workers .....	61	44
50 to 99 workers .....	81	( <sup>3</sup> )
100 workers or more .....	71	36
100 to 499 workers .....	65	46
500 workers or more .....	72	33
State government .....	99	( <sup>3</sup> )
Local government .....	55	51

See footnotes at end of table.

**Table 23. Defined contribution plans: Plan sponsor,<sup>1</sup>  
State and local government workers, National  
Compensation Survey, 2007—Continued**

(All workers participating in defined contribution plans = 100 percent)

Characteristics	State government sponsor	Local government sponsor
<b>Geographic areas</b>		
Middle Atlantic .....	45	55
East North Central .....	87	29
West North Central .....	69	( <sup>3</sup> )
South Atlantic .....	82	22
East South Central .....	68	42
West South Central .....	68	41
Mountain .....	76	32
Pacific .....	66	38

<sup>1</sup> Based on the sponsorship of the benefit plan rather than the affiliation of the employees participating. For example, many local school district workers belong to State-sponsored retirement plans. State-sponsored benefits can be partially or totally State funded. The sum of State and local government-sponsored plans may exceed 100 percent because some

workers participate in both types of plans.

<sup>2</sup> The wage breakouts are based on the average wage for each occupation surveyed, which may include workers both above and below the threshold. See the Technical Note for more details.

<sup>3</sup> These data do not meet publication criteria.

**Table 24. Selected defined contribution plans: Summary of provisions, State and local government workers, National Compensation Survey, 2007**

(All workers participating in selected defined contribution plans = 100 percent)

Characteristics	Pretax contributions allowed	Transfer or rollover contributions allowed	Employee choice of investments		Immediate full vesting	Loans permitted	Withdrawals permitted
			For employee contributions	For employer contributions			
All workers .....	76	65	62	72	53	22	24
<b>Worker characteristics</b>							
Management, professional, and related ....	77	64	64	72	59	23	21
Professional and related .....	78	63	65	72	59	24	20
Teachers .....	79	65	67	70	69	21	11
Primary, secondary, and special education school teachers .....	76	69	48	57	50	9	13
Service .....	72	62	58	69	47	22	29
Protective service .....	70	55	55	67	51	24	29
Sales and office .....	81	67	64	73	54	20	24
Office and administrative support .....	80	65	62	71	52	18	22
Natural resources, construction, and maintenance .....	70	71	63	75	43	24	34
Production, transportation, and material moving .....	75	66	66	77	28	18	31
Full time .....	76	65	63	72	54	22	24
Part time .....	78	52	60	63	41	22	28
Union .....	75	77	54	62	64	25	12
Nonunion .....	76	57	67	77	47	21	31
Average wage less than \$15 per hour <sup>1</sup> .....	76	60	63	76	38	19	30
Average wage \$15 per hour or higher <sup>1</sup> .....	76	66	62	70	58	23	22
Average wage less than \$24 per hour <sup>1</sup> .....	77	64	63	73	47	21	26
Average wage \$24 per hour or higher <sup>1</sup> .....	74	65	62	70	62	24	21
<b>Establishment characteristics</b>							
Education and health services .....	76	63	67	74	58	23	20
Educational services .....	73	62	66	73	71	19	11
Elementary and secondary schools ..	78	72	58	66	63	25	11
Junior colleges, colleges, and universities .....	68	51	74	79	79	14	12
Health care and social assistance .....	82	65	68	78	30	32	37
Hospitals .....	78	72	67	80	( <sup>2</sup> )	36	37
Public administration .....	73	65	53	64	48	22	26
1 to 99 workers .....	77	65	55	66	41	22	24
1 to 49 workers .....	80	54	67	77	28	22	21
50 to 99 workers .....	75	74	45	56	53	22	27
100 workers or more .....	76	65	64	73	55	22	24
100 to 499 workers .....	82	60	64	73	39	18	28
500 workers or more .....	74	66	64	72	60	24	23
State government .....	73	59	67	78	66	14	21
Local government .....	78	68	60	68	46	27	26

See footnotes at end of table.

**Table 24. Selected defined contribution plans: Summary of provisions, State and local government workers, National Compensation Survey, 2007—Continued**

(All workers participating in selected defined contribution plans = 100 percent)

Characteristics	Pretax contributions allowed	Transfer or rollover contributions allowed	Employee choice of investments		Immediate full vesting	Loans permitted	Withdrawals permitted
			For employee contributions	For employer contributions			
<b>Geographic areas</b>							
New England .....	91	99	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )
Middle Atlantic .....	78	67	83	89	80	45	( <sup>2</sup> )
East North Central .....	89	57	88	96	( <sup>2</sup> )	16	9
West North Central .....	84	67	85	88	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )
South Atlantic .....	61	77	60	77	74	21	36
East South Central .....	85	61	73	71	57	40	47
West South Central .....	80	32	40	58	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )
Mountain .....	86	82	75	77	66	( <sup>2</sup> )	( <sup>2</sup> )
Pacific .....	72	64	32	38	67	18	25

<sup>1</sup> The wage breakouts are based on the average wage for each occupation surveyed, which may include workers both above and below the threshold. See

the Technical Note for more details.

<sup>2</sup> These data do not meet publication criteria.

**Table 25. Selected defined contribution plans: Eligibility requirements, State and local government workers, National Compensation Survey, 2007**

(All workers participating in selected defined contribution plans = 100 percent)

Characteristics	Total	With minimum age or service requirement	Service requirements		No minimum age or service requirement	Not determinable
			Less than 12 months	12 months		
All workers .....	100	27	15	11	72	1
<b>Worker characteristics</b>						
Management, professional, and related .....	100	27	15	11	72	1
Professional and related .....	100	27	15	11	72	(1)
Teachers .....	100	20	(1)	5	80	-
Primary, secondary, and special education school teachers .....	100	(1)	(1)	(1)	74	-
Service .....	100	25	14	10	75	(1)
Protective service .....	100	14	(1)	(1)	86	-
Sales and office .....	100	36	22	12	64	(1)
Office and administrative support .....	100	37	23	12	62	(1)
Natural resources, construction, and maintenance .....	100	(1)	(1)	(1)	83	-
Production, transportation, and material moving .....	100	31	(1)	(1)	69	-
Full time .....	100	27	16	11	72	(1)
Part time .....	100	30	(1)	18	65	(1)
Union .....	100	33	(1)	10	66	(1)
Nonunion .....	100	24	11	11	75	(1)
Average wage less than \$15 per hour <sup>2</sup> .....	100	34	18	15	64	(1)
Average wage \$15 per hour or higher <sup>2</sup> .....	100	25	14	10	75	(1)
Average wage less than \$24 per hour <sup>2</sup> .....	100	32	17	14	67	(1)
Average wage \$24 per hour or higher <sup>2</sup> .....	100	21	14	7	78	(1)
<b>Establishment characteristics</b>						
Education and health services .....	100	30	14	14	69	(1)
Educational services .....	100	21	(1)	9	79	(1)
Elementary and secondary schools ..	100	(1)	(1)	(1)	80	(1)
Junior colleges, colleges, and universities .....	100	23	(1)	(1)	77	-
Health care and social assistance .....	100	49	23	23	49	(1)
Hospitals .....	100	44	(1)	26	56	-
Public administration .....	100	19	(1)	(1)	80	(1)
1 to 99 workers .....	100	33	(1)	(1)	65	(1)
1 to 49 workers .....	100	33	(1)	(1)	66	(1)
50 to 99 workers .....	100	33	(1)	(1)	64	(1)
100 workers or more .....	100	26	16	10	73	(1)
100 to 499 workers .....	100	42	29	13	57	(1)
500 workers or more .....	100	22	12	9	78	(1)
State government .....	100	26	(1)	15	74	-
Local government .....	100	28	18	9	71	1

See footnotes at end of table.

**Table 25. Selected defined contribution plans: Eligibility requirements, State and local government workers, National Compensation Survey, 2007—Continued**

(All workers participating in selected defined contribution plans = 100 percent)

Characteristics	Total	With minimum age or service requirement	Service requirements		No minimum age or service requirement	Not determinable
			Less than 12 months	12 months		
<b>Geographic areas</b>						
Middle Atlantic .....	100	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	95	—
East North Central .....	100	15	( <sup>1</sup> )	9	85	—
South Atlantic .....	100	12	7	( <sup>1</sup> )	88	—
East South Central .....	100	22	( <sup>1</sup> )	( <sup>1</sup> )	78	—
West South Central .....	100	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	78	—
Mountain .....	100	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	71	( <sup>1</sup> )
Pacific .....	100	63	43	( <sup>1</sup> )	33	( <sup>1</sup> )

<sup>1</sup> These data do not meet publication criteria.

<sup>2</sup> The wage breakouts are based on the average wage for each

occupation surveyed, which may include workers both above and below the threshold. See the Technical Note for more details.

**Table 26. Money purchase pension plans: Employer contributions, State and local government workers, National Compensation Survey, 2007**

(All workers participating in money purchase pension plans = 100 percent)

Characteristics	Total	Fixed percent of earnings	Fixed percent of earnings					Other <sup>1</sup>
			10th percentile	25th percentile	50th percentile (median)	75th percentile	90th percentile	
All workers .....	100	65	3.00	5.00	6.75	9.00	13.25	35
<b>Worker characteristics</b>								
Management, professional, and related ....	100	61	3.00	5.00	6.75	9.00	11.30	39
Professional and related .....	100	61	3.00	5.00	6.75	9.00	11.30	39
Teachers .....	100	59	3.00	5.00	8.00	9.29	11.30	41
Primary, secondary, and special education school teachers .....	100	55	1.50	3.00	3.00	8.50	9.00	45
Service .....	100	77	2.00	3.00	5.75	10.00	15.00	23
Protective service .....	100	84	2.00	3.00	5.75	12.00	20.00	16
Sales and office .....	100	63	3.00	5.00	6.75	9.00	14.00	37
Office and administrative support .....	100	61	3.00	5.00	6.75	9.00	14.00	39
Natural resources, construction, and maintenance .....	100	68	1.50	5.00	5.00	9.00	14.00	32
Production, transportation, and material moving .....	100	76	3.00	3.00	5.00	6.90	9.00	( <sup>2</sup> )
Full time .....	100	65	3.00	5.00	6.75	9.00	14.00	35
Part time .....	100	87	1.50	3.75	5.00	6.90	10.00	( <sup>2</sup> )
Union .....	100	42	2.00	3.00	5.00	8.00	10.00	58
Nonunion .....	100	81	3.00	5.00	6.75	9.29	14.00	19
Average wage less than \$15 per hour <sup>3</sup> ....	100	74	3.00	5.00	6.75	9.00	12.00	26
Average wage \$15 per hour or higher <sup>3</sup> ....	100	63	2.00	5.00	6.75	9.29	14.00	37
Average wage less than \$24 per hour <sup>3</sup> ....	100	68	3.00	5.00	6.75	9.00	14.00	32
Average wage \$24 per hour or higher <sup>3</sup> ....	100	63	2.00	5.00	6.75	9.29	11.30	37
<b>Establishment characteristics</b>								
Education and health services .....	100	62	3.00	5.00	6.90	9.00	10.40	38
Educational services .....	100	63	3.00	5.00	7.50	9.29	10.50	37
Elementary and secondary schools ..	100	41	2.50	3.00	5.75	9.00	9.00	59
Junior colleges, colleges, and universities .....	100	79	5.00	5.00	8.00	9.29	11.30	( <sup>2</sup> )
Health care and social assistance .....	100	59	3.00	3.00	5.00	6.75	7.00	( <sup>2</sup> )
Hospitals .....	100	54	3.00	3.00	5.00	6.75	8.50	( <sup>2</sup> )
Public administration .....	100	69	2.00	3.00	5.00	9.00	15.00	31
1 to 99 workers .....	100	68	3.00	5.00	6.75	12.00	14.00	32
1 to 49 workers .....	100	82	5.00	5.00	6.90	14.00	14.05	18
50 to 99 workers .....	100	56	3.00	4.00	6.75	12.00	14.00	44
100 workers or more .....	100	65	2.50	5.00	6.64	9.00	11.30	35
100 to 499 workers .....	100	77	3.00	5.00	5.75	7.50	10.40	( <sup>2</sup> )
500 workers or more .....	100	62	2.00	5.00	6.75	9.00	11.30	38
State government .....	100	70	3.00	5.00	6.00	9.29	11.30	( <sup>2</sup> )
Local government .....	100	62	3.00	5.00	6.75	9.00	14.00	38

See footnotes at end of table.



**Table 26. Money purchase pension plans: Employer contributions, State and local government workers, National Compensation Survey, 2007—Continued**

(All workers participating in money purchase pension plans = 100 percent)

Characteristics	Total	Fixed percent of earnings	Fixed percent of earnings					Other <sup>1</sup>
			10th percentile	25th percentile	50th percentile (median)	75th percentile	90th percentile	
<b>Geographic areas</b>								
Middle Atlantic .....	100	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	66
East North Central .....	100	90	3.00	3.00	3.00	10.00	14.00	( <sup>2</sup> )
South Atlantic .....	100	77	5.00	5.00	7.25	9.00	20.00	( <sup>2</sup> )
East South Central .....	100	78	4.00	5.00	7.50	11.30	11.30	( <sup>2</sup> )
West South Central .....	100	79	6.50	6.75	8.50	12.00	14.00	( <sup>2</sup> )
Mountain .....	100	80	1.00	1.50	5.00	6.90	8.00	( <sup>2</sup> )
Pacific .....	100	52	2.00	3.75	5.00	5.00	7.50	48

<sup>1</sup> Includes other plans in which employer contribution varies or is not expressed as a percent of earnings.

<sup>2</sup> These data do not meet publication criteria.

<sup>3</sup> The wage breakouts are based on the average wage for each occupation surveyed, which may include workers both above and below the threshold. See the Technical Note for more details.

## Technical Note

The data in this release are from the National Compensation Survey (NCS), conducted by the U.S. Department of Labor's Bureau of Labor Statistics (BLS). The release provides information on detailed provisions of defined benefit and defined contribution plans for workers in State and local government. The Federal government is excluded from the scope of the survey. The period for compiling these data was from June 2006 to September 2007; thus, they have a 2007 reference date. Previous publications containing detailed information on health and retirement plans for private industry workers are available on the BLS Web site <http://www.bls.gov/ncs/ebs>.

Under the NCS program, information on the incidence and provision of benefits is published in several stages. An earlier summary provided data on the incidence of (access to and participation in) selected benefits and detailed provisions of paid holidays, life insurance plans, and some other benefit plans, as well as on employer and employee shares of contributions to medical care premiums and their average amounts. Data for civilian, private industry, and State and local government workers for March 2008 will be issued later this year.

### Calculation details

Averages for occupations within an establishment were used to produce estimates for worker groups averaging hourly pay below \$15, those averaging \$15 and above, those averaging below \$24, and those averaging \$24 and above. Individual workers can fall into an earnings category different from the average for an occupation and establishment into which they are classified. The wage breakouts are based on the average wage for each occupation surveyed, which may include workers both above and below the threshold. The \$15-per-hour value enables a comparison with the previously published estimates in the private sector. The \$24-per-hour value is based on the average wage of State and local government workers published in *National Compensation Survey: Occupational Earnings in the United States, 2006*, U.S. Department of Labor, September 2007, bulletin 2590, at <http://www.bls.gov/ncs/ncswage.htm>.

### Survey response

The 2007 benefits survey included the following numbers of establishments in the sample:

<i>Establishments</i>	<i>Total</i>
<i>Total in sampling frame</i>	206,918
<i>Total in sample</i>	2,012
<i>Responding</i>	1,720
<i>Out of business or out of scope</i>	21
<i>Unable or refused to provide data</i>	271

### Survey scope

The 2007 NCS benefits survey represented about 18.9 million State and local government workers. (See Appendix table 1 for additional information.) For State and local governments, an establishment is defined as an agency or entity such as a school district, college, university, hospital, nursing home, administrative body, court, police department, fire department, health or social service operation, highway maintenance operation, urban transit operation, or other governmental unit. An establishment provides services under the authority of a specific State or local government organization within a defined geographic area or jurisdiction. Establishments are classified under the 2002 North American Industry Classification System (NAICS). The survey sample weights were adjusted to reflect the March 2007 employment figures from the Quarterly Census of Employment and Wages (QCEW) program.

The nine census divisions are defined as follows: **New England**—Connecticut, Maine, Massachusetts, New Hampshire, Rhode Island, and Vermont; **Middle Atlantic**—New Jersey, New York, and Pennsylvania; **East North Central**—Illinois, Indiana, Michigan, Ohio, and Wisconsin; **West North Central**—Iowa, Kansas, Minnesota, Missouri, Nebraska, North Dakota, and South Dakota; **South Atlantic**—Delaware, District of Columbia, Florida, Georgia, Maryland, North Carolina, South Carolina, Virginia, and West Virginia; **East South Central**—Alabama, Kentucky, Mississippi, and Tennessee; **West South Central**—Arkansas, Louisiana, Oklahoma, and Texas; **Mountain**—Arizona, Colorado, Idaho, Montana, Nevada, New Mexico, Utah, and Wyoming; and **Pacific**—Alaska, California, Hawaii, Oregon, and Washington.

### Sample design and data collection

The sample for this survey was selected by means of a three-stage design. The first stage involved the selection of areas. The NCS State and local government sample consists of 152 areas that represent the Nation's 361 metropolitan statistical areas, 573 micropolitan statistical areas as defined by the Office of Management and Budget in June 2003, and the remaining portions of the 50 States. For a current list of these statistical areas, visit <http://www.census.gov/population/www/estimates/metroarea.html>.

In the second stage, the sample of establishments was drawn by first stratifying the sampling frame by industry and, implicitly, by establishment size. The number of sample establishments allocated to each stratum is approximately proportional to the employment in the stratum. Each establishment sampled was selected within a stratum with a probability proportional to its employment. The use of this technique means that the larger an establishment's employment, the greater is its chance of selection. Weights

were applied to each establishment when the data were tabulated, so that each establishment represents similar (in terms of industry and employment size) units in the economy that were not selected for collection.

The third stage of sample selection was the drawing of a probability sample of occupations within a sampled establishment. Identification of the occupations for which data were to be collected was a four-step process:

1. Probability-proportional-to-size selection of established jobs
2. Classification of jobs into occupations based on the 2000 Standard Occupational Classification (SOC) system
3. Characterization of jobs as full time versus part time, union versus nonunion, and time versus incentive
4. Determination of the level of work of each job

### Definition of terms

*Full-time worker.* Any employee whom the employer considers to be full time.

*Part-time worker.* Any employee whom the employer considers to be part time.

*Nonunion worker.* Any employee in an occupation not meeting the conditions for union coverage.

*Union worker.* Any employee is in a union occupation when all of the following conditions are met:

- A labor organization is recognized as the bargaining agent for all workers in the occupation
- Wage and salary rates are determined through collective bargaining or negotiations
- Settlement terms, which must include earnings provisions and may include benefit provisions, are embodied in a signed, mutually binding collective bargaining agreement

For additional technical information, consult the *BLS Handbook of Methods*, available online at the Internet site <http://www.bls.gov/opub/hom/home.htm>.

### Survey estimation methods

The survey design uses an estimator that assigns a weight to each sample unit. The weight is computed with the use of the inverse of the probability of selection at each stage of sample selection and with the use of four weight adjustment factors.

The first factor adjusts for establishment nonresponse and the second factor adjusts for occupational nonresponse. The third factor adjusts for any special situations that may have occurred during data collection. The fourth factor, poststratification, also called benchmarking, is introduced to adjust the estimated employment totals to actual counts

of employment by industry for the survey reference date. The general form of the estimator for a population total  $Y$  is

$$Y = \sum_{i=1}^n \frac{f_2 f_3 f_1}{P_i} \sum_{j=1}^{O_i} \frac{Y_{ij} f_{ij}}{P_{ij}},$$

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;

$P_i$  = probability of including the  $i$ th establishment in the sample;

$P_{ij}$  = probability of including the  $j$ th occupation in the sample of occupations from the  $i$ th establishment;

$f_{ij}$  = weight adjustment factor for occupation nonresponse for the  $j$ th occupation in the  $i$ th establishment;

$f_1$  = weight adjustment factor for establishment nonresponse for the  $i$ th establishment;

$f_2$  = weight adjustment factor for any special situation that may have occurred during data collection for the  $i$ th establishment;

$f_3$  = poststratification weight adjustment factor for the  $i$ th establishment.

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

### Reliability of estimates

The statistics in this summary are estimates derived from a sample of usable occupation quotes selected from the establishments responding. They are not tabulations based on data from all employees in establishments within the 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. The sample used here is one of a number of possible samples of the same size that could have been selected under the same sample design. Estimates derived from the different samples would differ from one another.

A measure of the variation among these differing estimates

is the standard error, which can be used to measure the precision with which an estimate from a particular sample approximates the expected result of all possible samples. The chances are about 68 out of 100 that an estimate from the survey differs from a complete population figure by less than the standard error. The chances are about 90 out of 100 that this difference would be less than 1.6 times the standard error. The statements of comparison appearing in this publication are significant at a 1.6-standard level or better. This means that, for differences cited, the estimated difference is greater than 1.6 times the standard error of the difference. Standard errors can be used to evaluate published series. To assist users in ascertaining the reliability of series, the standard errors for all estimates are available on the Web site <http://www.bls.gov/ncs/ebs/ebsvar.htm>.

*Nonsampling errors* also affect survey results. They can be attributed to many sources, such as inability to obtain information on some establishments; difficulties with survey definitions; inability of the respondents to provide correct information; and mistakes in recording or coding the data obtained. Although not specifically measured, the nonsampling errors were expected to be minimal due to the

extensive training of the field economists who gathered the survey data, computer edits of the data, and a detailed data review.

For research articles on employee benefits, see the *Monthly Labor Review*, August 2004 at the BLS Web site <http://www.bls.gov/opub/mlr/mlrhome.htm>. For more detailed information on the SOC classification system, visit <http://www.bls.gov/soc/home.htm>.

Additional information about the NCS may be obtained by calling (202) 691-6199. You may also write to the U.S. Bureau of Labor Statistics, Division of Compensation Data Analysis and Planning, 2 Massachusetts Ave., NE, Room 4175, Washington, D.C. 20212-0001, or send e-mail to [NCSinfo@bls.gov](mailto:NCSinfo@bls.gov). The data contained in this summary are available as well at <http://www.bls.gov/ncs>. Users may access benefits data from previous surveys through a variety of tools available on the same page. Material in this summary is in the public domain and, with appropriate credit, may be reproduced without permission. The information will be made available to sensory-impaired individuals upon request. Voice telephone: (202) 691-5200; Federal Relay Service: 1-800-877-8339.

**Appendix table 1. Number of workers<sup>1</sup> represented, National Compensation Survey, 2007**

Occupational group <sup>2</sup>	State and local government workers
All workers .....	18,892,000
Management, professional, and related .....	10,390,100
Professional and related .....	8,800,500
Teachers .....	4,841,100
Primary, secondary, and special	
education school teachers .....	3,605,500
Service .....	4,020,700
Protective service .....	1,813,900
Sales and office .....	2,752,600
Office and administrative support .....	2,612,000
Natural resources, construction, and	
maintenance .....	957,400
Production, transportation, and	
material moving .....	771,200

<sup>1</sup> The number of workers represented by the survey are rounded to the nearest 100. Estimates of the number of workers provide a description of the size and composition of the labor force included in the survey. Estimates

are not intended, however, for comparison to other statistical series to measure employment trends or levels.

<sup>2</sup> The 2000 Standard Occupational Classification system is used to classify workers.

# Appendix A. Retirement Income Benefits

Retirement plans are classified as either defined benefit or defined contribution plans. Defined benefit plans determine payments according to a fixed formula based on salary, years of service, and age. Defined contribution plans determine payouts on the basis of the amount of money contributed and the rate of return on the money invested.

## Defined Benefit Plans

Defined benefit pension plans provide employees with guaranteed retirement benefits based on predetermined benefit formulas. A participant's retirement age, length of service, and preretirement earnings may affect the benefits received. Definitions, key provisions, and related terms follow.

### Traditional plan formulas

*Terminal earnings.* Benefits are based on a percentage of average earnings during a specified number of years at the end of a worker's career (or when earnings are the highest), multiplied by the number of years of service recognized by the plan.

*Career-earnings formulas.* Benefits are based on a percentage of an average of career earnings for every year of service recognized by the plan.

*Dollar amount formulas.* Benefits are based on a dollar amount per month for each year of service recognized by the plan.

### Normal and early retirement

*Normal retirement.* The age at which plan participants can retire and receive all accrued benefits.

*Early retirement.* The age (or a combination of age and service) at which plan participants can retire and receive all accrued benefits, less a reduction for the years prior to their normal retirement age.

### Benefit payment methods

Payments from defined benefit plans may be in the form of a straight-life annuity, a joint-and-survivor annuity, a percentage of the unreduced accrued benefit, or a lump sum.

*Straight-life annuity.* A periodic payment made for the life of the retiree, with no additional payments to survivors.

*Joint-and-survivor annuity.* The Employee Retirement

Income Security Act of 1974 (ERISA) requires defined benefit pension plans that offer an annuity as a payment option to provide a qualified joint-and-survivor annuity (QJSA) as the normal benefit payment for married participants. A QJSA consists of an immediate annuity for the life of the participant and a survivor annuity for the life of the participant's spouse. The amount of the survivor annuity may not be less than 50 percent or more than 100 percent of the amount payable during the time that the participant and spouse are both alive. The annuity payable for the life of the participant is lower than that for a straight-life annuity. To account for the increased length of time over which payments will be made, this reduction may be a percentage of the straight-life benefit, such as 10 percent, or may be based on the life expectancy of the participant and spouse (the so-called actuarial reduction).

*Percent of unreduced accrued benefit.* Under this method, the participant's pension is not reduced to adjust for survivor benefits. The participant will receive an amount equal to the straight-life annuity, and the spouse will receive a proportion of that amount, often 50 percent, should the participant die.

*Lump-sum payment.* The participant may opt for a full lump sum, with no further benefits received from the plan. If a plan provides for a partial lump-sum payment, the participant will usually receive a reduced annuity as well.

### Vesting

Vesting refers to the amount of time a participant must work before earning a nonforfeitable right to a retirement benefit. Once the participant is vested, the accrued benefit is retained even if the worker leaves the employer before reaching retirement age.

*Cliff vesting.* No vesting occurs until an employee satisfies the service requirements for 100-percent vesting—for example, after 5 years.

*Graded vesting.* An employee's nonforfeitable percentage of employer contributions increases over time until it reaches 100 percent.

### Integration with Social Security

Defined benefit plans may "integrate" retirement benefits with Social Security benefits. Under this approach, the employer's contribution to Social Security (FICA taxes) is taken into account in computing plan benefits. Integration may be accomplished by one of several methods.

*Offset.* Part of a participant's Social Security benefit is

subtracted from the benefit otherwise payable by the plan. The maximum allowable offset is 83.3 percent of the Social Security benefit. The most common offset is 50 percent.

*Social Security breakpoint.* A formula that applies a lower benefit rate to earnings subject to FICA (Social Security) taxes.

### **Portability**

Portability is a participant's ability to maintain and transfer accumulated pension benefits when changing jobs. Portability provisions in defined benefit plans generally cover portability of assets, portability of credited service, or both.

*Portability of assets.* Participants can withdraw their accumulated pension benefits, transfer them to another retirement arrangement, or both.

*Portability of credited service.* Participants are allowed to count the years of service with a previous employer in determining benefits from a subsequent employer.

### **Purchase of credits for prior government service**

Some employers allow the purchase of service credits for prior service in Federal, State, or local government agencies. A service requirement, such as a minimum of 5 years following the purchase or credit, may be imposed. The cost is a lump-sum payment equal to the full actuarial value of the credit purchased.

### **Plan sponsorship**

State-sponsored plans can be partially or totally State funded. Many local school district workers belong to State-sponsored retirement plans.

### **Disability retirement**

Disability retirement is retirement resulting from a totally disabling injury or illness prior to eligibility for early or normal retirement. Plans providing disability retirement benefits may have a service requirement of 10 years or more. Benefits may be immediate or deferred.

## **Defined Contribution Plans**

Defined contribution plans are retirement plans that specify the level of employer contributions and place those contributions into individual employee accounts.

### **Types of plans**

*Savings and thrift plans.* These are retirement plans under which employees may contribute a predetermined portion of (usually pretax) earnings to an individual account, all or part of which the employer matches. Employers may match a fixed percentage of employee contributions or a percentage that varies by length of service, amount of employee contribution,

or other factors. Contributions are invested as directed by the employee or employer. Although usually designed as a long-term savings vehicle, savings and thrift plans may allow preretirement withdrawals and loans.

*Money purchase pension plans.* These are retirement plans under which fixed employer contributions, typically calculated as a percentage of employee earnings, are allocated to individual employee accounts. Some plans may allow employee contributions, but employees are usually not required to make any contributions.

### **Investment choices**

Employees may be allowed to choose how to invest their own and their employer's contributions. Common investment choices are common stock fund, fixed interest securities, diversified investments, and money market funds.

### **Pretax contributions**

The Internal Revenue Code (IRC) plan allows employees to make pretax contributions to deferred compensation plans through salary reduction agreements. Taxes are deferred until the benefits are disbursed.

### **Withdrawals and loans**

*Withdrawals.* Prior to normal payout (usually at retirement), defined contribution plan participants may be allowed to withdraw all or a portion of the employer funds from their accounts. While most early withdrawals incur tax penalties, hardship withdrawals do not. To avoid tax penalties, many plans have loan provisions that allow employees to borrow from their accounts, with interest, for a specified period.

*Loans.* Defined contribution plans may allow participants to borrow employer funds, with interest, from their accounts. Loan amounts often are limited to a portion of the account balance and usually have to be repaid within 5 years, but longer payment periods may apply for home purchase or renovation loans.

*Transfers or rollovers.* A rollover is a direct payment of plan benefits from a defined contribution plan into an IRA or another employer's plan. In a direct rollover, the employee is not taxed on the payment until it is later withdrawn or distributed.

### **Employer contribution methods**

*Fixed percent of earnings.* Common in money purchase plans, the employer contributes a fixed percentage of each employee's earnings to his or her individual account.

*Specified matching percent.* The employer matches a specified percentage of the employee contribution. The percentage can vary by length of service, amount of employee contribution, and other factors.