

Federal Responsibility for Payment of State Unemployment Insurance Administrative Expenses

By Gladys R. Friedman and Roy O. Kinsinger*

Because of the general interest in administrative financing of the State unemployment insurance system, the Bulletin believes that the description of the methods used by the Social Security Administration in reviewing State budgets and distributing Federal funds for proper and efficient administration of State systems of unemployment insurance will aid in an understanding of existing problems.

PROBABLY NO ASPECT of the Federal-State system of unemployment insurance has caused more internal discussion and irritation than problems involved in the granting of funds for State administrative expenses. While many of these irritations are inevitable and occur in any type of organization, public or private, purely State or purely Federal, when fiscal questions are involved, some of the difficulties that arise may stem from the provision for 100-percent Federal financing of State administrative costs in the unemployment insurance program.

The provision for 100-percent Federal financing of State administrative costs is unique in the history of Federal grant-in-aid programs in this country. It sprang from the desire of Congress to assure adequate administrative machinery in every State, large or small, rich or poor, agricultural or industrial, because of its conviction that unemployment was a national problem and that it was of concern to the Nation as a whole that adequate machinery for administering unemployment insurance should exist in every State.

The 100-percent Federal financing of State administrative costs has been criticized by the Federal Government and by the States on a number of grounds. The Social Security Administration has been concerned with

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two primary problems: (1) the fact that the provision does not assure State responsibility for obtaining necessary funds and therefore State interest in economical expenditure of such funds; and (2) the anomaly of the Federal Government's determining the costs of proper and efficient administration of State laws while the States have the actual responsibility for administering the laws. The States, on the other hand, while objecting to many of the fiscal standards of the Social Security Administration, have in fact been more concerned with what they feel is the inadequacy of the total congressional appropriation and the congressional method of deficiency appropriations. The method used by the Federal Government to distribute available funds among the States has concerned both the State and the Federal Governments. The problem is to provide funds necessary for the proper and efficient administration of individual State laws and still provide an equitable distribution of available funds among the 51 jurisdictions. Equity should be secured without penalizing States that have historically operated at low cost and by giving weight to quality as well as to quantity of operations. This is difficult to achieve because there is a wide variation in the functions that States feel they must perform in actually administering their laws, in the intensity with which they feel they must perform these functions, and in the procedures they employ in carrying them out. Furthermore, some of the State concepts of sound administration differ from the concept of the Federal Government concerning what is "nec-

essary" and what can actually be provided from available funds.¹

Within the framework of existing legislation, however, much has been accomplished throughout the years in developing among the States a sense of responsibility for the appropriation request to Congress and an awareness of the statutory responsibility of the Federal Government in distributing funds among the States, as well as in developing in the Social Security Administration a concern over the genuine difficulties that the States face when they must gear their operations to Federal standards and available funds. Without question, it is the consensus that the present provision for financing State administrative costs has assured more adequate administrative machinery in all States than any other provision, including more conventional grant-in-aid procedures; it has also assured a richer operation for the unemployment insurance program than many other purely State functions. Over the years 1938-47, the cost of operating the State employment service and unemployment insurance programs amounted to 8.5 percent of State tax collections and 20.8 percent of benefit payments. The relatively high relationship to benefit payments is due to the fact that the period includes the war years, when benefit payments were at a low level and the States had to maintain their organizations.

Federal Legislative Framework

The Social Security Act (section 302 (a) of title III) provides that the

¹This article is confined to a discussion of State unemployment insurance administrative costs covering fiscal years up to June 30, 1948. It does not consider the problems that had been involved in distributing the administrative costs of a single State agency administering three programs—employment service, unemployment insurance, and veterans' readjustment allowances—under separate appropriations administered by three separate Federal agencies. Considerable simplification in the budgeting process is anticipated beginning July 1, 1948, when the Veterans Administration will handle the budgeting for readjustment allowance administration directly with the States and when the employment service and unemployment insurance budgeting will be integrated federally and the States given complete flexibility in the use of administrative funds between the two programs.

Administrator of the Federal Security Agency shall from time to time certify to the Secretary of the Treasury for payment to each State that has an unemployment insurance law approved by the Administrator such amounts as he determines to be necessary for the proper and efficient administration of such law. The Administrator's determination shall be based on (1) the population of the State, (2) an estimate of the number of persons covered by the State law and the cost of proper and efficient administration of such law, and (3) such other factors as the Administrator finds relevant.

To be certified for grants, a State law must be approved under the Federal Unemployment Tax Act and must include the following provisions stipulated in section 303 (a) of the Social Security Act:

(1) Such methods of administration (including after January 1, 1940, methods relating to the establishment and maintenance of personnel standards on a merit basis, except that the Administrator shall exercise no authority with respect to the selection, tenure of office, and compensation of any individual employed in accordance with such methods) as are found by the Administrator to be reasonably calculated to insure full payment of unemployment compensation when due; and

(2) Payment of unemployment compensation solely through public employment offices or such other agencies as the Administrator may approve; and

(3) Opportunity for a fair hearing, before an impartial tribunal, for all individuals whose claims for unemployment compensation are denied; and

(4) The payment of all money received in the unemployment fund of such State (except for refunds of sums erroneously paid into such fund and except for refunds paid in accordance with the provisions of section 1606 (b) of the Federal Unemployment Tax Act), immediately upon such receipt, to the Secretary of the Treasury to the credit of the unemployment trust fund established by section 904; and

(5) Expenditure of all money withdrawn from an unemployment fund of such State, in the payment of unemployment compensation, ex-

clusive of expenses of administration, and for refunds of sums erroneously paid into such fund and refunds paid in accordance with the provisions of section 1606 (b) of the Federal Unemployment Tax Act: *Provided*, That an amount equal to the amount of employee payments into the unemployment fund of a State may be used in the payment of cash benefits to individuals with respect to their disability, exclusive of expenses of administration; and

(6) The making of such reports, in such form and containing such information, as the Administrator may from time to time require, and compliance with such provisions as the Administrator may from time to time find necessary to assure the correctness and verification of such report; and

(7) Making available upon request to any agency of the United States charged with the administration of public works, or assistance through public employment, the name, address, ordinary occupation and employment status of each recipient of unemployment compensation, and a statement of such recipient's rights to further compensation under such law; and

(8) Effective July 1, 1941, the expenditure of all moneys received pursuant to section 302 of this title solely for the purposes and in the amounts found necessary by the Administrator for the proper and efficient administration of such State law; and

(9) Effective July 1, 1941, the replacement, within a reasonable time, of any moneys received pursuant to section 302 of this title which, because of any action or contingency, have been lost or have been expended for purposes other than, or in amounts in excess of, those found necessary by the Administrator for the proper administration of such State law.

The administration of the law must also meet the requirements of section 303 (b) and (c). Subsection (b) specifies that whenever the Administrator, after reasonable notice and opportunity for hearing to the State agency charged with the administration of the State law, finds that in the administration of the law there is:

(1) A denial, in a substantial number of cases, of unemployment com-

ensation to individuals entitled thereto under such law; or

(2) A failure to comply substantially with any provision specified in subsection (a);

the Administrator shall notify such State agency that further payments will not be made to the State until he is satisfied that there is no longer any such denial or failure to comply. Until the Administrator is so satisfied, he shall make no further certification to the Secretary of the Treasury with respect to such State.

In subsection (c) the law specifies that the Administrator shall make no certification for payment to any State if he finds, after reasonable notice and opportunity for hearing to the State agency charged with the administration of the State law:

(1) That such State does not make its records available to the Railroad Retirement Board and furnish to the Railroad Retirement Board at the expense of the Railroad Retirement Board such copies thereof as the Railroad Retirement Board deems necessary for its purposes; or

(2) That such State is failing to afford reasonable cooperation with every agency of the United States charged with the administration of any unemployment insurance law.

The Administrator has delegated to the Commissioner for Social Security responsibility for determining the amount of the appropriation request for title III funds, for certifying the State law as meeting the requirements of section 303 (a), (b), and (c), and for certifying the grants to the States for proper and efficient administration. Upon the Bureau of Employment Security rests the responsibility of recommending to the Commissioner the certifiability of State laws and the amounts considered necessary for State operation of unemployment insurance.

Appropriation Request for Title III Funds

Obviously, before funds can be distributed to the State agencies for the proper and efficient administration of their laws, Congress must first appropriate funds for the ensuing fiscal year. An estimate of the total

amount of funds needed by the State agencies for the entire fiscal year must be made by the Bureau approximately a year in advance of the fiscal year for which the funds are budgeted to the States. This procedure has been modified and improved during the years to obtain direct State participation in preparing the material used by the Bureau in drawing up the request to the Federal Bureau of the Budget for title III funds.

During the year 1945, in cooperation with the Administrative Financing Committee of the Interstate Conference, plans were laid for participation by State agencies in determining the appropriation needed for administering State unemployment insurance laws. This cooperative arrangement is accomplished by a series of joint meetings of selected State and Bureau technicians and the Administrative Financing Committee, at which the national economic assumptions for the fiscal year in question are considered and the work-load factors to be estimated in making the appropriation request are determined. The national economic assumptions are then sent to the States, which prepare work-load items for the budgetary period in the light of their knowledge of local conditions. The forecasting of work-load items is difficult in a program like unemployment insurance, in which changes in economic conditions immediately bring about changes in work load.

Upon receipt of the work-load estimates from each State agency, a group of State technicians meeting in Washington with the Bureau staff analyze the estimates and agree upon a national total of work-load items.

Each State agency is then requested to submit its estimated man-hour and cost requirements for the specified work-load items, together with information about individual State conditions, such as legislative changes, procedural changes, and any other factors bearing upon the fiscal outlook. The Bureau analyzes the data received to determine from the combined operations of the 51 State agencies what the average cost of each major function will be, as well as to compare individual State costs with past experience and with other States. The analysis is discussed in detail at

another meeting with State representatives of the Administrative Financing Committee. After this discussion, the appropriation request is prepared independently by the Bureau. The amount of the appropriation actually requested represents the best estimate of State needs for the fiscal year. The total amount requested is held as confidential, according to Budget Bureau regulations, and is withheld from the States until the information is made public at the time the budget is submitted to Congress.

Preparation and Review of State Agency Budgets

Several changes have also taken place in the budgetary methods used by the Bureau in distributing Federal funds among the States. In the early days of the program it was found that determining fiscal needs of 51 State agencies operating under 51 different State laws and with varying industrial and economic conditions was a difficult task because of lack of comparability among the States and because there had been no prior experience with unemployment insurance in this country. In such circumstances the Bureau reviewed budgets on a line-item base. Difficulties arose, however, because appraisal of costs depended almost wholly on the exercise of individual judgment. The line-item listing in the budgets of personnel (constituting about 80 percent of total administrative costs) by organizational units within a State afforded no comparison among States because the organizational structures of State agencies were not comparable. In addition, salary scales of State personnel varied widely, and the Administration, from the very beginning of the program, has followed a policy of providing funds for State personnel at rates that are comparable with those for other State governmental functions.

Time and cost reporting.—Accordingly, in the latter part of 1939, preliminary studies were made to develop a system in which personnel time and operating costs could be distributed in terms of the functions performed. As a result, a standard functional coding system was developed by the Bureau, with the assistance of a committee of State technicians. This system

was put into effect in a number of State agencies early in 1940. Although the time-distribution system has never been mandatory upon the States, all State agencies except Alaska now maintain such a program.

The primary purpose of this coding is to provide a means for recording and reporting the time of State agency personnel on a functional basis, regardless of the variations among the States in organizational structure and regardless of the exact pay-roll designation of the employee's job or the organizational unit where the work is performed, since every State agency has certain major functions that must be performed, such as collecting employer contributions, maintaining wage records, taking claims, and paying benefits. Supervisory time is prorated to applicable functional operating time, minor activities are combined into major functions, and work-load measurements are related to each major function. In this way, unit times are obtained for all major functions.

Establishment of a functional time-distribution program and the collection of data on work-load items over a period of time made it possible to prepare and appraise both State budgets and the appropriation request for title III funds on a functional basis. However, it has been recognized from the beginning that State-by-State comparisons of functional time serve only as a guide for further investigation of the differences caused by the wide variations in State laws and other State characteristics.

Budget preparation by States.—Twice a year the States prepare joint budgets covering their needs for the unemployment insurance program (UC), the veterans' readjustment allowance program (VA), and employment service activities (SES). The budget requests cover major categories of expenditure, that is, personal-service costs, supplies, communication services, travel, printing and binding, rental of equipment, repairs and alterations of equipment, rental of premises, repairs and alterations of premises, costs of heat, light, and water, purchases of equipment, and miscellaneous expenditures.

Items in each category of the non-personal-service costs are identified

as far as possible for each of the three programs—UC, VA, or SES—and the charges that cannot be identified are segregated between the SES program and the combined UC-VA programs on a prorated basis. Certain basic principles have been formulated to guide the States in making such identification and segregation.

The number of personnel hours applicable directly to the operation of each program is estimated according to the method prescribed by the Federal agency that will allot the funds—Social Security Administration, Veterans Administration, and United States Employment Service. The direct operating hours for unemployment insurance activities have, since 1943, been built on the basis of estimated work loads for each function and a unit time derived from past experience (functional personal-service hours divided by applicable work load) and adjusted for changes in requirements and variations in work load. The work-load items are included in the reports of data received by the Bureau from the State agencies in the regular statistical reporting program.

The major functions and their work-load measurements are listed in table 1.

For each of these seven functions, the State estimates the work load that it anticipates for the budgetary period, after receiving from the Bureau a statement on national economic assumptions for that period. The work-load estimates for the State unemployment insurance budget are prepared in the same manner as are the work-load estimates for the appropriation request for title III funds. The estimates are submitted to the Bureau. After review and discussion the States prepare their budgets in terms of the work-load items agreed upon. The estimated work load for each function, multiplied by the unit time for each function found from past experience to be applicable to a work load of similar size, represents the direct operating hours for the unemployment insurance program in the State.

The total personal-service cost for the combined UC-VA programs is determined by adding the UC and VA direct operating hours shown by func-

Table 1.—Major functions and their work-load measurements

Function	Description	Work load
Contributions.....	Determining employer liability; collecting pay-roll taxes; maintaining employer accounts; depositing collections; auditing accounts of employers for liability; etc.	Sum of estimated number of subject employers for each quarter during budgetary period.
Experience rating.....	Charging benefit payments to employer accounts and determining contribution rate under the experience-rating law.	Maximum number of subject employers liable.
Wage records.....	Examining and verifying wage records; processing, sorting, and filing; maintaining social security account number files; etc.	Number of wage items received.
Claim determination.....	Preparing initial claims for processing; computing benefit amounts; notifying claimants; preparing transcripts; filing; handling activities arising from possible disqualification issues, labor disputes, or lack of wage credits; etc.	Number of new claims disposed of on first determination.
Benefit payments.....	Processing continued claims; preparing checks; posting ledger; distributing checks; correcting over or underpayments; reconciling benefit payment account; investigating fraud; etc.	Number of weeks compensated.
Initial-claims taking.....	Taking initial and additional claims; answering claimants' questions; transmitting claims to central office or to other liable States; handling correspondence; etc.	Number of new and additional claims received in local offices.
Continued-claims taking.....	Taking waiting-period and continued claims; posting information to claim-record cards; handling correspondence; transmitting claims to central office or to other liable States; etc.	Number of waiting-period and compensable claims received in local offices.

tion to the total UC-VA administrative and staff hours and increasing the total by a percentage allowance for leave based on past State experience. The total hours for the two programs are then multiplied by an average hourly rate determined for the UC-VA program.

Budget appraisals by the Bureau's regional representative.—The States submit their budgets to the regional offices of the Social Security Administration and forward one copy to the Bureau in Washington. This advance copy is checked in the Washington office for mathematical errors and any other points that seem out of line, and the regional representative is advised of any special points at issue. Before reviewing the budget with the States, the Bureau's regional representative makes his independent review of the budget and discusses with the USES regional representative those items considered by the State as joint UC-VA and SES costs. In some instances, the review with the State is scheduled simultaneously with that of the USES representative.

The Bureau's regional representative is responsible for appraising that portion of the budget request covering UC direct operating personal services and the total administrative and

staff and non-personal-service requirements of the UC-VA program. He bases his appraisal on the State's past experience and his personal knowledge of the details of State operations, as well as on data supplied by the Washington office on operations in other States. If sufficient justification is not contained in the budget, he gets additional information from the States.

Any adjustments deemed necessary by the regional representative are recorded on the budget, explained to the State, and included in his recommendations to the Washington office. Although the regional representative strives in the interest of harmonious Federal-State relations to obtain concurrence in the budgetary adjustments, the procedures provide that any State agency that differs with his opinion may submit a statement to the Bureau setting forth its reasons for disagreement.

Budget appraisal by the Bureau's Washington office.—In its review of the budgets as recommended by the regional representatives, the Bureau staff verifies the mathematical accuracy of the adjustments made and compares and analyzes the recommendations for all States in order to ascertain that all the budgets have

been reviewed uniformly. In cases in which it is felt that the recommendation for any phase of the budget has been too liberal in comparison with the recommendation for other States, the regional representative is consulted for further adjustment or justification. The budgets are also reviewed to determine that they comply with the basic standards in the areas of fiscal, personnel, and general business management established by the Bureau for insuring proper and efficient administration.

The Bureau's staff works jointly with the staff of the Veterans Administration in apportioning between the two programs the joint costs contained in the budget. The method of apportionment and acceptance of the identifiable items for either program is a matter for negotiation between the two Federal bureaus.

It is also the Bureau's responsibility to recommend amounts that will keep within the funds made available by Congress. If the recommended budget amounts exceed the title III funds available for distribution, the Bureau must determine a method of adjusting all the budgets that will still maintain equity among the States.

Recent Developments

During the past year the Bureau has given a great deal of consideration to the solution of two difficulties that have arisen in the budgetary method employed—the short period of time in which the budget review must be completed and the need for a contingency appropriation to meet unexpected developments.

Only about 6 weeks are allowed for review of State budgets by the Bureau because (a) it is not practicable for the States to begin to prepare their budget requests earlier than 3 months preceding the beginning of the budgetary period, (b) the larger States need at least a month in which to prepare their budgets, and (c) it is desirable to have the final budget determinations made and the States notified at least 2 weeks before the beginning of the budgetary period. Because of the short time that can be allotted to the budget reviews, arbitrary determinations necessarily have to be made regarding funds requested for ex-

panded activities and increased costs. Moreover, in view of the fact that both the State budget requests and the regional office recommendations usually exceed the amount of title III funds made available by Congress, there falls upon the Washington office the responsibility of adjusting the regional representatives' recommendations to funds available in order to secure as much uniformity as possible among the regions and the States. In large measure this procedure has had the effect of nullifying the policy of decentralizing budgetary determinations to the regional offices and, in addition, has been the cause of much irritation in Federal-State relationships.

In seeking a solution to this problem, the Social Security Administration during the past year has endeavored to work out with each State tentative standard budgetary allowances for varying levels of work loads based on each State's own experience. These allowances are being developed and applied on a functional basis for direct personal-service costs and on an over-all basis for all indirect costs. The standard budgetary allowances will remain unchanged from one budgetary period to another unless and until factual studies, initiated either by the State or the Bureau, demonstrate the need for changing the allowances. The standard budgetary allowances for personal services, both direct and indirect, are being developed and applied in terms of man-hours. The hours are converted to dollars by multiplying the man-hours by the agency's pay-roll rate. It is necessary to use the current hourly pay-roll rate because the rate is affected by staff lay-offs and accessions, which are usually confined to lower-salaried personnel.

The problem of determining the factors to be used in the standard budgetary allowances is complicated by the fact that each State agency must maintain a basic organization regardless of work load and that unit costs usually are high when work loads are low, and vice versa. The reason is that most of the overhead costs, such as supervision and rents, remain constant, and, in addition, a minimum of operating personnel must be retained as stand-by requirements re-

gardless of how low the work load may go.

In developing the basic factors for the standard budget allowances, the goal would be to determine through factual studies the budget needed in each State to maintain an adequate basic organization and the maximum work loads that such a basic organization could handle. Each State could then receive a constant grant for its basic organization plus an additional allowance for work loads in excess of the maximum established for the basic organization. This approach, however, would necessitate technical studies that would be very expensive and would require a prohibitive length of time to complete.

Therefore, to expedite the development of standard budgetary allowances, the Bureau has analyzed each State's actual time-distribution experience for the 4 years ended December 31, 1947, and on the basis of such experience has established for each State basic factors that, when applied to estimated work loads, produce a budgetary allowance comparable to past experience. It is also developing a basis for determining (1) the minimum budgetary needs of each State that in effect will represent its basic organizational requirements and (2) the maximum work loads that can be handled by the basic organization determined.

In the development of this plan it is desirable to coordinate the standard budgetary allowances and the annual appropriation request and to require the States to anticipate at the time the appropriation request is developed their budgetary needs in excess of the standard allowances to cover expansion and increasing costs of operation.

Because the unemployment insurance program is extremely dynamic, responding quickly to changes in economic conditions that are difficult to forecast and prepare work-load estimates for, the Bureau has often found it necessary to request a deficiency appropriation. Further, other contingencies may occur such as unexpected increases in salary scales and legislative changes. Often, however, the necessary funds are obtained so late that the State agencies face difficult staffing problems. Accordingly, during the past year the Social Secu-

city Administration, in its request for title III funds, included a sum to be set up as a contingency reserve, subject to control and release by the Budget Bureau, to be used in the event that national work loads exceed those used in the approved appropriation. Although the contingency fund requested for the current period was not approved, efforts to secure approval of the plan are being continued since it would alleviate much of the budgeting problem.

Granting of Funds

Normally, Federal funds for administration are granted to State agencies each calendar quarter. Occasionally, however, when approval of the appropriation is delayed or a deficiency appropriation is pending or budget submittals or approvals are delayed, it has been necessary to make a 1-month grant as an advance of funds.

Before the grant is made, the Bureau determines whether the State law and its administration meet the requirements of section 303 of the Social Security Act. If there is a serious question regarding conformity, the grant may also be made for only 1 month, by the end of which a determination can be made based on further inquiry and consultation with the State.

The Bureau, upon approval by the Commissioner for Social Security of the amount of funds to be granted to each State agency, prepares a voucher in the approved amount drawn upon the United States Treasury and payable usually to the State treasurer.

Concluding Remarks

Despite the difficulties inherent in allocating Federal funds on an equitable basis for the proper and efficient administration of 51 State laws that vary widely in a great many details, the Social Security Administration in cooperation with the State agencies themselves has developed methods that are more objective than seemed possible when the program began. Moreover, this cooperative effort is continuing. Although much still remains to be done to make the budgetary process both scientific and flexible enough to meet the needs of the program, there is little question but that Federal responsibility for allocating

the funds necessary for proper and efficient administration of State unemployment insurance systems has never would have been possible if each enabled State agencies throughout the country to maintain administrative costs were left to individual State determination.

Group Annuities Supplementing Retirement Benefits Under Old-Age and Survivors Insurance

By Weltha Van Fenam*

The objective of a contributory social insurance program is to underwrite a minimum degree of protection against the common risks that threaten the economic security of wage earners and their families throughout a nation. Once that basic protection is assured, private plans and individual thrift can more surely build up relatively adequate and assured income when wages cease. Experience under the Federal program of old-age and survivors insurance has demonstrated that the program has stimulated rather than hindered the development of private plans that supplement the basic social insurance system.

GROUP ANNUITY PLANS, discussed in this article, are only one of several types of retirement plans in effect in private industries. In recent years, "trusteed" plans have become very common; these may involve the use of insurance contracts (either group or individual) or establishment of trust funds in which actuarially adequate reserves are accumulated for direct disbursement. Some of the largest groups of industrial employees are now covered by plans administered by the employer and financed through a special liability account. In terms of number of employees protected, the group annuity is the most important of all the various types of insured plans. Nearly 1,800 group annuity contracts were in force in the United States as of December 31, 1946, according to an estimate of the Life Insurance Association of America. These plans covered nearly 1.5 million employees.

*Office of the Actuary. This article is based on a longer study by the author, *Analysis of Recent Group Annuities Supplementing Retirement Benefits under Old-Age and Survivors Insurance*, Actuarial Study No. 25, February 1948. Copies of the monograph, in limited numbers, are available on request from the Office of the Actuary, Social Security Administration.

The present study is based on an analysis of 376 group annuity plans underwritten by insurance companies between the latter part of 1942 and the end of 1946. The information was derived from booklets furnished by the insurance companies that underwrite the great majority of group annuities in the United States. The booklets were made available on the understanding that they would be used for analytic study and that the industrial organizations would not be identified by name.

Eligibility

Usually, eligibility to participate is based on a minimum length of service or service and minimum age (table 1). By screening out the casual or short-term employee, the plans eliminate much unproductive recordkeeping. Some plans also relate eligibility to earnings. Such a requirement is usually for purposes of coordinating the plan with Federal old-age and survivors insurance benefits.

Sixty-two percent of the plans (235) required more than 1 year of service (table 2). The most common requirement was 5 years (119 plans) and the next most common, 1 year (114 plans). Thirty-eight percent