

# Employee Benefits in Small Private Establishments, 1992



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

Bureau of Labor Statistics  
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# Preface

This bulletin presents results of a 1992 Bureau of Labor Statistics survey of the incidence and detailed provisions of selected employee benefit plans in small private establishments. The survey provides representative data for 44 million employees in the Nation's private nonagricultural industries. Appendix A provides a detailed description of the coverage and statistical procedures used in the survey.

The 1992 Employee Benefits Survey reports on benefits provided to employees in establishments with fewer than 100 workers in all private nonfarm industries. This is the second time this survey was conducted; the first small establishment survey was conducted in 1990. Between 1979 and 1986, the survey provided benefits data on full-time employees in medium and large establishments, those with either 100 or 250 employees or more, depending on the industry; coverage in the services industries was limited. The 1987 survey examined benefits provided to full-time employees in State and local governments with 50 employees or more. In 1988 and 1989, expanded surveys of medium and large establishments covered full-time employees in establishments employing 100 workers or more in all private industries.

Beginning in 1990, the Employee Benefits Survey included both full-time and part-time employees in all private industries (regardless of employment) and State and local governments. In that year, the survey covered small private establishments and governments. At the present time, small private establishments and State and local governments are surveyed in even-numbered years, and medium and large private establishments are surveyed in odd-numbered years.

Data for this bulletin were compiled and analyzed in the Division of Occupational Pay and Employee Benefits Levels

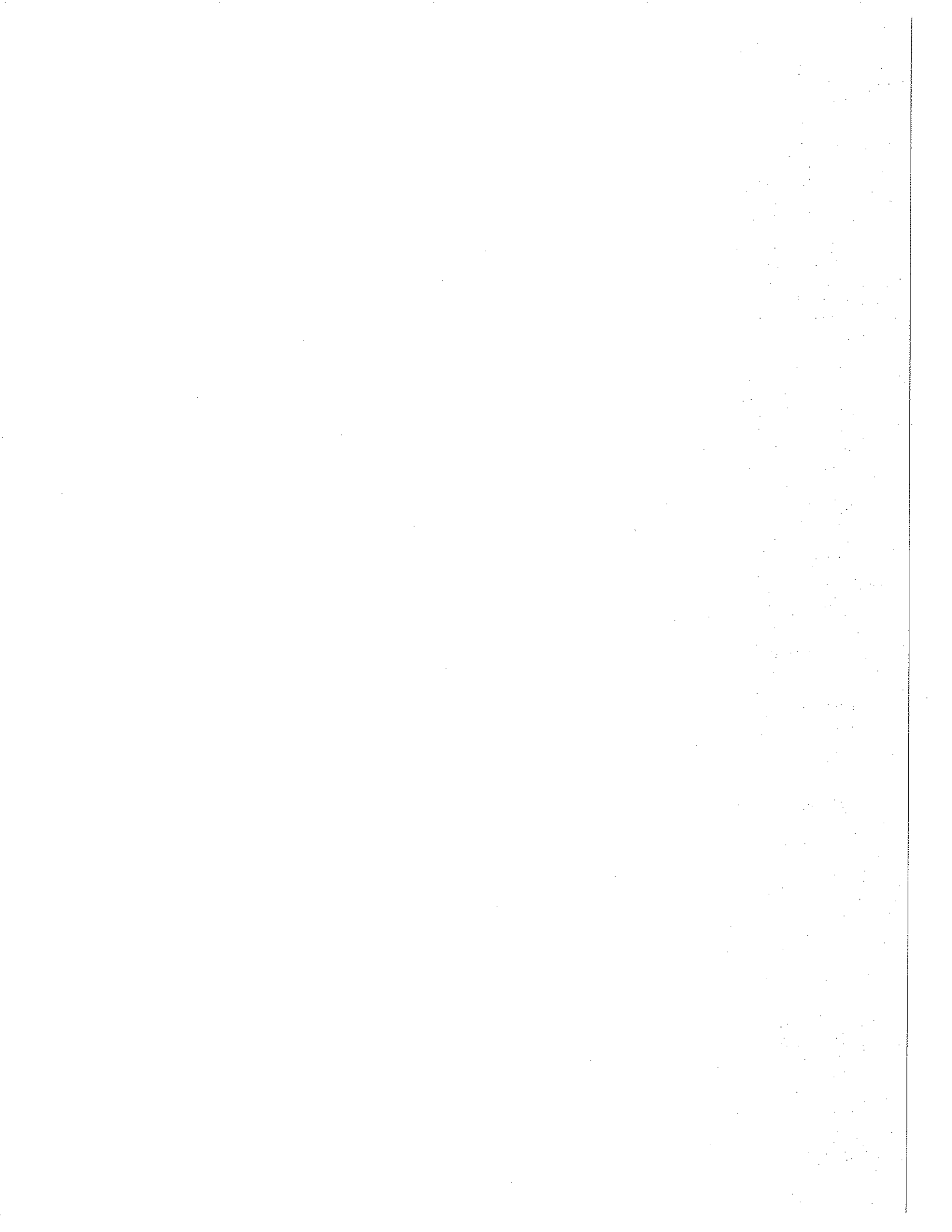
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Questions on the data in this publication should be referred to the staff of the Employee Benefits Survey at (202) 606-6222. Sensory impaired individuals may obtain information in this publication upon request. Voice phone: (202) 606-STAT; TDD phone: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

Pictured on the cover of this bulletin is *Boy on Stilts* by Norman Rockwell, (c) 1919, The Curtis Publishing Company.



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# Chapter 1. Incidence of Employee Benefit Plans

The Bureau's 1992 Employee Benefits Survey of small private establishments provides data on employee work schedules and develops information on the incidence and detailed characteristics of employee benefits paid for, at least in part, by the employer.<sup>1</sup> These benefits include paid lunch and rest periods; holidays, vacations, and personal, funeral, jury-duty, military, parental, and sick leave; sickness and accident, long-term disability, and life insurance; medical, dental, and vision care; and defined benefit pension and defined contribution plans. Because data presented in this bulletin are limited to formal plans, the extent of such benefits as rest periods and personal leave may be understated.

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

For the 1992 survey of benefits in small private establishments, information was collected for both full-time and part-time employees. (Employees were classified as either full-time or part-time in accordance with practices of the surveyed establishments. Part-time workers typically are scheduled to work fewer hours per week than full-time workers engaged in the same type of work activity.)

The information presented in this bulletin describes the incidence and provisions of benefits provided to full-time employees in small establishments. In addition, data on part-time employees are included in chapter 8.

The majority of full-time workers within the scope of the Employee Benefits Survey were provided<sup>2</sup> medical care benefits, life insurance, paid holidays, and paid vacations (table 1). Newer benefits, such as child-care assistance and long-term care insurance, were available to a minority of full-time workers (table 2).

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

<sup>2</sup> Data were collected on the number of workers "participating" in benefit plans. All workers were considered participants in wholly employer-financed plans that require a minimum length of service, even if some workers had not met those requirements at the time of the survey. Where plans—such as medical care or life insurance—required an employee to pay part of the cost (contributory plans), workers were considered participants only if they elected the plan.

## Time-off benefits

Paid holidays and vacations were available to over 80 percent of full-time employees in small establishments in 1992.<sup>3</sup> In contrast, paid military leave was provided to 21 percent of workers and paid personal leave was provided to 12 percent of workers<sup>4</sup>. Half of the full-time workers received paid funeral leave and formal paid rest periods, while 9 percent had formal paid lunch periods.

In general, white-collar workers were more likely to receive formal paid time-off benefits than were their blue-collar counterparts, as seen in the following table:

	Percent of full-time workers	
	White collar	Blue collar
Paid holidays .....	91	74
Paid vacations .....	94	81
Paid funeral leave .....	58	43

When paid leave was provided, covered employees received, on average:

- 9.2 holidays each year;
- Vacations of 7.6 days at 1 year of service, 13.5 days at 10 years, and 15.1 days at 20 years;
- 3.0 days of funeral leave per occurrence;
- 12.2 days of military leave per year;
- Jury duty as needed.

Unpaid maternity leave was available to 18 percent of all full-time workers and unpaid paternity leave to 8 percent. Such benefits are separate from vacations, sick leave, and other time-off provisions that also may be available to new parents. The average length of unpaid leave was about 3½ months. Paid parental leave was rare.

## Disability benefits

Employees may be protected from loss of income during short-term illnesses or injuries by sick leave, sickness and accident insurance, or both.

<sup>3</sup> In addition to data on all full-time employees in small establishments, data are presented separately for three occupational groups—professional, technical, and related; clerical and sales; and blue-collar and service workers. This bulletin often discusses the first two groups jointly as white-collar workers, in contrast with blue-collar workers.

<sup>4</sup> Workers covered by a plan were labeled participants whether or not they used a benefit. For example, while the tables in this bulletin describe the provisions of sick or parental leave plans, they do not indicate the number of employees using these benefits or the amount of leave time taken.

- Just over half of the full-time employees in small establishments had sick leave coverage in 1992, and one-quarter had sickness and accident insurance coverage;
- Sick leave was more commonly a white-collar benefit; sickness and accident insurance was available equally to workers in all occupational groups;
- Sick leave plans, on average, provided 9.1 days per year with full pay at 5 years of service;
- Sickness and accident insurance benefits commonly provided 50 or 67 percent of regular pay for 26 weeks.

For longer term or permanent disabilities, long-term disability insurance may be available to provide income replacement.

- While 23 percent of all full-time workers had long-term disability insurance coverage, more than three-times as many white-collar as blue-collar workers received this protection;
- Long-term disability insurance typically replaced 60 percent of regular pay, providing pay after 3 or 6 months of disability.

### **Medical, dental, and vision care, and life insurance**

Medical care was among the most widespread benefits provided to full-time employees in small establishments—seventenths of workers participated in such plans. The availability of other health-related benefits was less prevalent—one-third of full-time employees participated in a dental care plan and one-tenth had vision care coverage. There was little variation in health care benefits among occupational groups.

For full-time employees participating in medical care plans:

- 53 percent were in plans paid for entirely by the employer for individual medical care, and 27 percent for family coverage. Where workers contributed, their average monthly premiums were \$37 for individual coverage, and \$151 for family coverage;
- 18 percent participated in plans with a preferred provider option. Participants choosing the option received care at lower costs if treatment was provided by designated hospitals or physicians;
- 14 percent participated in health maintenance organization plans;
- 18 percent were in plans that continued coverage, funded at least in part by the employer, after retirement.

Among dental care participants:

- Virtually all had coverage for preventive and restorative dental procedures, while three-fifths had coverage for orthodontia;
- Just over four-fifths were covered by plans that imposed annual limits on dental expenses, typically \$1,000.

Life insurance protection was available to nearly two-thirds of full-time employees in small establishments in 1992—three-fourths of white-collar and slightly over half of blue-collar employees.

Among full-time employees with life insurance protection:

- Three-fifths were covered by life insurance based on a flat dollar amount; this was more prevalent among blue-collar than white-collar participants;
- Two-fifths had insurance available on the lives of their spouses;
- One-fourth were in plans that continued employer-financed life insurance coverage after retirement.

### **Defined benefit pension and defined contribution plans**

Forty-five percent of all full-time workers were covered by at least one retirement plan in 1992. Defined contribution plans, which specify employer and employee contributions but do not guarantee future benefits, were the most frequently observed form of retirement plan. Such plans can be vehicles for financing retirement benefits if funds can not be withdrawn easily, or they may be shorter term capital accumulation plans if periodic withdrawals are allowed. Defined contribution plans were available to 33 percent of the full-time workers, and were more common among white-collar than blue-collar workers. There are several types of defined contribution plans: Savings and thrift, profit-sharing, money purchase pension, employee stock ownership, stock bonus, and simplified employee pension (SEP).

The most frequently observed types of defined contribution plans were deferred profit-sharing and savings and thrift plans. For participants in these plans:

- Nearly all savings and thrift plan participants were required or allowed to contribute funds on a pretax basis, deferring income taxes until funds are received from the plan;
- The typical employer matching rate in a savings and thrift plan was 50 percent, and generally applied to the first 6 percent of earnings saved by the employee;
- Benefits from deferred profit-sharing plans were generally determined at the discretion of the company, rather than based on a stated formula.

Defined benefit plans, which specify a formula for determining future benefits, were available to 22 percent of full-time employees in small establishments.

For participants in traditional defined benefit pension retirement plans:

- The majority were in plans with formulas based on earnings, most frequently on earnings during 5 consecutive years of employment;

- White-collar participants more commonly were covered by plans with earnings-based formulas, and more commonly had benefits coordinated with Social Security;
- Common eligibility requirements for a normal, or unreduced, pension were: Age 65 with no specified length of service and age 62 with 15 or more years of service;
- The majority of covered workers could retire with a reduced pension at age 55, most commonly after 10 years of service;
- Fewer than 1 in 10 covered workers were in plans that had granted postretirement increases to retirees during the previous 5 years.

### **Flexible benefits plans and reimbursement accounts**

Benefits may be provided to employees independently, or as part of a package, complete with options, known as a flexible benefits or cafeteria plan. Such plans were rarely found for full-time workers in the 1992 small establishment survey. Cafeteria arrangements give employees the opportunity to choose between several benefits, such as medical care, life insurance, and vacation days, and between several different plans within a given benefit.

Employer-sponsored reimbursement accounts were available to nearly 14 percent of full-time workers in 1992. These accounts provide funds for employees to pay for expenses not covered by existing benefit plans, such as child-care expenses and medical care deductibles. Accounts may include employer funds, employee funds contributed on a pretax basis, or both.

### **Other benefits**

In addition to the major benefits just described, the survey provided estimates of the incidence of 15 other benefits. These data show the percent of workers *eligible* for a specific benefit, but not the proportion of employees actually taking advantage of the benefit.

Educational assistance provides full or partial reimbursement of employee expenses for books, tuition, and fees. Thirty-six percent of full-time employees were eligible for job-related educational assistance; 5 percent were eligible for non-job-related educational assistance.

Nonproduction cash bonuses were available to just under one-half of full-time employees. Such bonuses were slightly

more prevalent for white-collar than blue-collar workers.

Two employer-subsidized health promotion services—wellness programs and employee assistance programs—were surveyed in 1992. Employee wellness programs were offered to less than one-tenth of full-time employees. These programs offered structured, separate plans (that is, independent of medical care benefits), such as exercise and physical fitness programs, weight control clinics, smoking-cessation programs, and stress management courses, to develop and maintain healthy lifestyles.

Employee assistance programs were available to 17 percent of full-time workers and provided employee referral and counseling services concerning such problems as alcoholism, drug abuse, and emotional difficulties. Employee assistance programs are related to employee wellness programs and typically deal with more serious personal problems than the essentially preventive medical issues addressed by wellness programs. An additional health-related benefit, in-house infirmaries, was rarely reported.

Several family-related benefits were studied, although few workers were eligible for coverage. Long-term care insurance, often purchased with employee funds at group rates, covers extended home health care or nursing home stays, and may be available for employees, spouses, or other relatives. Child-care benefits include employer-subsidized facilities or full or partial reimbursement to employees for the cost of care in nurseries, daycare centers, or by baby-sitters.<sup>5</sup> Eldercare includes employer subsidies for daycare for elderly or disabled dependents, or time off for employees to handle such matters.<sup>6</sup> Adoption assistance, in the form of help to pay the legal expenses associated with adopting a child, was also available.

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

<sup>5</sup> For further analysis of dependent care, see Stephanie L. Hyland, "Helping Employees with Family Care," *Monthly Labor Review*, September 1990, pp.22-26.

<sup>6</sup> See chapter 7, Plan Administration, for information on reimbursement accounts, an alternative means of subsidizing dependent care expenses.

#### **A Note on the Tables**

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

For example, table 1 indicates that 71 percent of all full-time employees were covered by a medical care plan. In chapter 4, most of the tables present data on the percent of workers with medical care who have certain provisions. Workers with medical care equal 100 percent in these tables, with smaller percents indicating the availability of plan features. For example, in table 35, 100 percent indicates those workers with medical care plans and 68 percent indicates those workers with medical care covered by a fee-for-service plan. A more detailed discussion of data calculation is found in appendix A.

**Table 1. Summary: Percent of full-time employees participating<sup>1</sup> in selected employee benefit programs, small private establishments,<sup>2</sup> 1992**

Employee benefit program	All employees <sup>3</sup>	Professional, technical, and related employees <sup>3</sup>	Clerical and sales employees <sup>3</sup>	Blue-collar and service employees <sup>3</sup>	Employee benefit program	All employees <sup>3</sup>	Professional, technical, and related employees <sup>3</sup>	Clerical and sales employees <sup>3</sup>	Blue-collar and service employees <sup>3</sup>
<b>Paid:</b>					<b>Dental insurance—Continued</b>				
Holidays .....	82	94	90	74	Family coverage:				
Vacations .....	88	94	94	81	Wholly employer financed .....	10	8	9	12
Personal leave .....	12	19	16	7	Partly employer financed .....	23	35	28	15
Lunch period .....	9	12	8	8	Life insurance .....	64	77	73	53
Rest time .....	49	40	43	56	Wholly employer financed .....	53	66	62	42
Funeral leave .....	50	60	56	43	Partly employer financed .....	11	10	11	10
Jury duty leave .....	58	76	65	47	All retirement <sup>4</sup> .....	45	52	52	38
Military leave .....	21	33	27	13	Defined benefit pension .....	22	21	25	20
Sick leave .....	53	74	70	35	Wholly employer financed .....	21	20	24	19
Maternity leave .....	2	3	2	1	Partly employer financed .....	1	1	1	( <sup>5</sup> )
Paternity leave .....	1	1	( <sup>5</sup> )	( <sup>5</sup> )	Defined contribution <sup>5</sup> .....	33	43	38	26
<b>Unpaid:</b>					<b>Uses of funds:</b>				
Maternity leave .....	18	27	20	13	Retirement <sup>7</sup> .....	29	38	34	24
Paternity leave .....	8	13	9	6	Wholly employer financed <sup>8</sup> .....	17	19	19	15
<b>Sickness and accident insurance .....</b>					Partly employer financed .....				
Wholly employer financed .....	26	24	27	27	Capital accumulation <sup>9</sup> .....	4	6	5	3
Partly employer financed .....	17	17	16	18	Wholly employer financed <sup>8</sup> .....	1	1	( <sup>5</sup> )	1
<b>Long-term disability insurance .....</b>					Partly employer financed .....				
Wholly employer financed .....	23	43	31	10	Types of plans:				
Partly employer financed .....	18	38	26	6	Savings and thrift .....	14	20	17	9
<b>Medical care .....</b>					Deferred profit sharing .....				
Employee coverage:	71	83	78	61	Employee stock ownership .....	1	1	1	1
Wholly employer financed .....	37	43	40	34	Money purchase pension .....	5	9	5	4
Partly employer financed .....	33	40	38	28	Simplified employee pension .....	1	1	1	1
Family coverage:					Stock option .....	( <sup>5</sup> )	-	( <sup>5</sup> )	( <sup>5</sup> )
Wholly employer financed .....	19	18	20	20	Stock purchase .....	1	2	2	-
Partly employer financed .....	51	66	58	42	Cash only profit-sharing .....	( <sup>5</sup> )	( <sup>5</sup> )	-	( <sup>5</sup> )
<b>Dental care .....</b>					Flexible benefits plans .....				
Employee coverage:	33	43	37	27	Reimbursement accounts .....	2	4	4	( <sup>5</sup> )
Wholly employer financed .....	19	26	19	17		14	24	20	7
Partly employer financed .....	14	17	18	10					

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

<sup>2</sup> See appendix A for scope of study.

<sup>3</sup> See appendix A for definitions of the occupational groups.

<sup>4</sup> Includes defined benefit pension plans and defined contribution retirement plans. The total is less than the sum of the individual items because many employees participated in both types of plans.

<sup>5</sup> Less than 0.5 percent.

<sup>6</sup> The total is less than the sum of the individual items because some

employees participated in both retirement and capital accumulation plans, and in more than one type of plan.

<sup>7</sup> Plans were counted as retirement plans if employer contributions had to remain in the participant's account until retirement age, death, disability, separation from service, age 59 1/2, or hardship.

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

<sup>9</sup> Includes plans in which employer contributions may be withdrawn from participant's account prior to retirement age, death, disability, separation from service, age 59 1/2, or hardship. Excludes pure cash profit sharing, stock option, and stock purchase plans.

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

**Table 2. Other benefits: Percent of full-time employees eligible for specified benefits, small private establishments, 1992**

Benefit	All employees	Professional, technical, and related employees	Clerical and sales employees	Blue-collar and service employees
<b>Income continuation plans:</b>				
Severance pay .....	15	26	21	8
Supplemental unemployment benefits .....	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )
<b>Family benefits:</b>				
Employer assistance for child care .....	2	3	3	( <sup>1</sup> )
Adoption financial assistance .....	3	7	4	2
Eldercare .....	3	4	5	2
Long-term care insurance .....	1	2	1	1
<b>Health promotion programs:</b>				
In-house infirmary .....	2	4	2	1
Wellness programs .....	7	13	10	3
Employee assistance programs ..	17	24	21	12
<b>Miscellaneous benefits:</b>				
Employer-subsidized recreation facilities .....	7	13	7	4
Job-related travel accident insurance .....	16	24	19	11
Nonproduction bonuses .....	47	52	50	43
Prepaid legal services .....	1	3	2	1
<b>Education assistance:</b>				
Job related .....	36	51	43	26
Not job related .....	5	7	6	4

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



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

The majority of full-time employees worked a 40-hour week. Time off with pay is available to employees in several different forms—from daily rest periods to annual vacations of several weeks. In 1992, survey coverage of paid time off benefits included provisions for lunch and rest periods; holidays and vacations; and personal, funeral, jury-duty, and military leave. Paid and unpaid maternity and paternity leave were also surveyed. Information on paid sick leave appears in chapter 3.

### Work schedules

Weekly work schedules of 40 hours were predominant, applying to four-fifths of the full-time employees covered by the survey (table 3). Alternatives, such as 35 or 37½ hours per week, were most prevalent among white-collar workers. Four-fifths of the work force were scheduled to work five 8-hour days.

Formal flexible work arrangements, which give employees the opportunity to begin and end the workday within a range of hours, were rarely observed. When available, limits on the amount of flexibility varied from plan to plan, but generally employees must be at work for a core of hours during midday. White-collar workers were more frequently offered flexible work schedules than were blue-collar workers.

### Paid time off

*Paid lunch and rest periods.* Formal paid lunch periods were provided to fewer than one-tenth of the employees, and about half were provided formal rest time, such as coffee breaks and cleanup time (tables 4 and 5). Paid rest time was slightly more prevalent among blue-collar and service workers than among the other two occupational groups, while paid lunch time was more prevalent for professional and technical workers.

Blue-collar employees who were covered by paid lunch period plans averaged 31 minutes per day. Their white-collar counterparts averaged 42 minutes each day. Paid rest time, averaging 26 minutes a day, was provided most commonly as two daily breaks of 10 or 15 minutes each.

*Paid holidays.* Paid holidays, averaging 9.2 days per year, were provided to over four-fifths of full-time employees. White-collar workers were more likely to receive paid holidays than were blue-collar workers. Floating holidays and “personal holidays,” such as employee birthdays, were included in the holiday plans reported (tables 6-8).

When a holiday fell on a scheduled day off, such as a Saturday or Sunday, another day off was regularly granted to three-fourths of the employees receiving paid holidays. Most of the remaining workers received either another day off or an additional day’s pay, depending on when the holiday fell.

*Paid vacations.* Paid vacations were provided to nearly 9 out of 10 employees (table 9). As with paid holidays, white-collar workers were more likely to receive paid vacations than blue-collar workers. Vacation pay provisions for all employees averaged 7.6 days at 1 year of service, 13.5 days at 10 years, 15.1 days at 20 years, and 15.4 days at 30 years.

Plans covering white-collar employees generally provided more vacation days than those for blue-collar employees, particularly as length of service increased. Three-fifths of white-collar employees, for example, became eligible for at least 15 days of vacation at 10 years of service compared with two-fifths of blue-collar employees.

In cases where holidays, vacation, sick leave days, or personal leave were combined under one leave category and could not be shown separately, the total amount of leave was reported as vacation time. These consolidated leave plans or “leave banks” have been adopted by a number of establishments, most notably those that must always remain open, such as hospitals and nursing homes. Such arrangements were rare, but, when found, typically offered a greater average number of days than vacation plans that were not leave banks.

Nearly all employees received their regular salaries or earnings during vacation periods. The remainder received either a flat-sum payment or payments based on a percentage of regular earnings. Anniversary-year bonus vacation days, such as an extra week of vacation at 10 or 20 years of service, were included in the count of regular vacation time.

Virtually all employees covered by vacation plans had to work a specified period of time before being able to take a vacation (table 10). The most common length-of-service requirement was 1 year for both white-collar and blue-collar participants.

The survey also covered carryover and cash-in provisions for unused vacation time (table 11). One-fifth of all full-time workers covered were allowed to carry over at least some of their unused vacation days into the next year; one-tenth could cash in some or all of their vacation days at the end of the year; and less than one-tenth had both cash-in and carryover provisions. The majority lost vacation days that were unused

at the end of the year. White-collar workers were more likely to have carryover provisions than blue-collar workers, who, in turn, enjoyed an advantage in cash-in provisions.

The average number of vacation days varied depending on the cash-in/carryover provisions (table 12). At all lengths of service, the greatest number of days was provided to those employees who could carry over unused vacation days. These employees averaged about 2 more vacation days a year than employees without cash-in or carryover provisions.

*Paid personal leave.* Formal personal leave, which allows employees to be absent from work with pay for a variety of reasons not covered by other specific leave plans, was provided to just over one-tenth of the full-time employees (table 13). Over twice the proportion of white-collar workers as blue-collar workers received personal leave. Most commonly, employees provided personal leave were eligible for 1 to 5 days; the average was 2.6 days per year. A few employees were provided as much personal leave as needed.

*Paid funeral leave, jury-duty leave, and military leave.* A majority of white-collar workers and just over two-fifths of blue-collar workers were eligible for paid leave to attend funerals of family members (table 14). About four-fifths of eligible employees received a set number of days per occurrence, averaging 2.9 days. White-collar workers received an average of 3.1 days, while blue-collar workers averaged 2.8 days per occurrence.

Two-tenths of participants were in plans where the number of days off varied by family relationship (e.g., mother, sister) to the deceased. These workers were included in the count of workers having a set number of days; the maximum number of days off was reported for each plan that included this relationship provision. For some employees who are not covered by a separate funeral leave plan, employers may provide an informal benefit or allow employees to use other types of paid leave, such as paid sick leave days, to attend a funeral. (See chapter 3.)

Nearly three-fifths of the full-time workers were eligible for paid leave while serving as a juror (table 15). Paid time off for

jury duty was usually provided "as needed"; employer payments commonly made up the difference between the employee's regular pay and the court's jury allowance.

Military leave, providing pay for absence from work to fulfill military training or duty commitments, was available in establishments employing one-fifth of the full-time employees (table 16). The most common provision was 2 weeks off per year, but 7 percent of workers were in establishments providing paid military leave as needed. For workers with a specified number of days off, military leave averaged 12.2 work-days per year. Pay for military leave was either regular pay or the difference between regular pay and military pay.

### **Parental leave**

Unpaid maternity leave was available to 18 percent of full-time employees; 8 percent were eligible for unpaid paternity leave (tables 17 and 18). White-collar workers were twice as likely to be covered by such plans than were blue-collar workers. Two percent of the workers had paid maternity leave; paid paternity leave was virtually nonexistent.

Parental leave plans were defined as separate from an employee's other leave plans, such as sick leave and paid vacations, which might be used by a new mother or father. Unpaid maternity and paternity leave generally could be taken after regular paid leave was used, and could continue for a fixed period of time. Employees had a reasonable expectation of returning to their own or a similar job following leave, although this was not always specifically guaranteed.

For plans that provided a fixed number of days of unpaid leave, maximum benefits averaged about 3½ months for both maternity and paternity. The average varied slightly by occupational group.

Individual plans differed considerably in the amount of unpaid time allowed, ranging from under 6 weeks to a little over 1 year. Nearly all plans with both maternity and paternity leave allowed the same length of time off for each.<sup>7</sup>

<sup>7</sup> For additional details on parental leave plans, see Joseph R. Meisenheimer, "Employer Provisions for Parental Leave," *Monthly Labor Review*, October 1989, pp. 20-24.

**Table 3. Work schedules: Percent of full-time employees by hours scheduled per week and per day,<sup>1</sup> small private establishments, 1992**

Work schedule	All employees	Professional, technical, and related employees	Clerical and sales employees	Blue-collar and service employees
Total .....	100	100	100	100
<b>Hours per week:</b>				
Under 35 .....	4	2	3	5
35 .....	5	6	7	3
Over 35 and under 37.5 .....	2	2	2	2
37.5 .....	4	7	7	2
Over 37.5 and under 40 .....	1	1	2	1
40 .....	79	74	74	84
Over 40 and under 50 .....	3	3	4	3
50 and over .....	2	4	1	1
Non-fixed work week <sup>2</sup> .....	2	2	2	1
<b>Hours per day:</b>				
Under 6 .....	1	( <sup>1</sup> )	( <sup>1</sup> )	2
6 .....	1	1	1	2
Over 6 and under 7 .....	1	( <sup>1</sup> )	1	1
7 .....	5	6	7	3
Over 7 and under 8 .....	7	9	10	4
8 .....	80	76	76	83
Over 8 and under 9 .....	1	1	1	1
9 .....	2	2	2	1
Over 9 and under 10 .....	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )
10 .....	2	2	1	2
Over 10 .....	1	2	( <sup>1</sup> )	1
Non-fixed work days <sup>2</sup> .....	2	2	2	1

<sup>1</sup> Work schedule data included paid lunch and paid rest periods.

<sup>2</sup> Work schedules for these workers are discretionary or undefined, such as university professors, sales workers, and executives. Reported hours per week and per day were based on an estimated schedule and were included in the hours distribution above.

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

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

**Table 4. Paid lunch time: Percent of full-time employees by minutes of paid lunch time per day, small private establishments, 1992**

Minutes per day	All employees	Professional, technical, and related employees	Clerical and sales employees	Blue-collar and service employees
Total .....	100	100	100	100
<b>Provided paid lunch time</b> .....	9	12	8	8
Under 30 minutes .....	1	( <sup>1</sup> )	1	1
30 minutes .....	5	6	4	6
Over 30 minutes .....	3	5	4	1
Number of minutes not available .....	( <sup>1</sup> )	( <sup>1</sup> )	-	-
<b>Not provided paid lunch time</b> .....	91	88	92	92

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

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

**Table 5. Paid rest time: Percent of full-time employees by minutes of paid rest time per day, small private establishments, 1992**

Minutes per day	All employees	Professional, technical, and related employees	Clerical and sales employees	Blue-collar and service employees
Total .....	100	100	100	100
<b>Provided paid rest time</b> .....	49	40	43	56
Under 15 minutes .....	1	( <sup>1</sup> )	( <sup>1</sup> )	2
15 minutes .....	3	2	5	3
Over 15 and under 20 minutes ...	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )
20 minutes .....	12	7	8	16
Over 20 and under 30 minutes ...	1	( <sup>1</sup> )	( <sup>1</sup> )	1
30 minutes .....	31	30	29	33
Over 30 minutes .....	1	1	( <sup>1</sup> )	1
Number of minutes not available .....	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )
<b>Not provided paid rest time</b> .....	51	60	57	44

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

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

**Table 6. Paid holidays and vacations: Average number of days for full-time participants, small private establishments, 1992**

Item	All participants	Professional, technical, and related participants	Clerical and sales participants	Blue-collar and service participants
Paid holidays .....	9.2	10.4	9.7	8.3
Paid vacation by minimum length of service requirement: <sup>1</sup>				
After 1 year <sup>2</sup> .....	7.6	9.6	8.2	6.4
After 3 years .....	9.9	11.1	10.1	9.2
After 5 years .....	11.5	13.2	11.8	10.6
After 10 years .....	13.5	15.6	13.9	12.4
After 15 years .....	14.5	16.5	15.1	13.2
After 20 years .....	15.1	17.0	15.7	13.8
After 25 years .....	15.3	17.2	16.0	14.0
After 30 years <sup>3</sup> .....	15.4	17.3	16.1	14.1

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

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

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

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

**Table 8. Paid holidays: Percent of full-time participants by policy on holidays that fall on a regularly scheduled day off, small private establishments, 1992**

Holiday policy	All participants	Professional, technical, and related participants	Clerical and sales participants	Blue-collar and service participants
Total .....	100	100	100	100
Holiday is not observed .....	7	5	7	8
Another day off is granted .....	75	81	77	71
Additional day's pay in lieu of holiday .....	4	3	3	6
Another day off or day's pay, depending on when holiday falls ...	8	4	7	11
Another day off or holiday not observed, depending on when holiday falls .....	3	6	5	1
Other provision applies <sup>1</sup> .....	1	( <sup>2</sup> )	( <sup>2</sup> )	1
Holiday policy not determinable .....	1	1	1	2

<sup>1</sup> Includes plans where the policy differs by holiday.

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

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

**Table 7. Paid holidays: Percent of full-time employees by number of paid holidays provided each year, small private establishments, 1992**

Number of days	All employees	Professional, technical, and related employees	Clerical and sales employees	Blue-collar and service employees
Total .....	100	100	100	100
Provided paid holidays .....	82	94	90	74
1 day .....	1	1	( <sup>1</sup> )	2
1.1 - 1.9 days .....	( <sup>1</sup> )	-	( <sup>1</sup> )	( <sup>1</sup> )
2 days .....	2	1	1	2
3 days .....	2	1	1	2
3.1-3.9 days .....	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )
4 days .....	2	1	2	2
4.1 - 4.9 days .....	( <sup>1</sup> )	-	-	( <sup>1</sup> )
5 days .....	4	2	3	5
5.1 - 5.9 days .....	( <sup>1</sup> )	( <sup>1</sup> )	-	( <sup>1</sup> )
6 days .....	18	14	19	18
6.1 - 6.9 days .....	1	1	1	1
7 days .....	11	12	10	10
7.1 - 7.9 days .....	1	1	1	1
8 days .....	9	11	10	9
8.1 - 8.9 days .....	1	2	1	1
9 days .....	8	12	10	5
9.1 - 9.9 days .....	1	1	1	( <sup>1</sup> )
10 days .....	12	18	16	7
10.1 - 10.9 days .....	( <sup>1</sup> )	1	1	( <sup>1</sup> )
11 days .....	6	7	7	5
11.1 - 11.9 days .....	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )
12 days .....	2	2	3	1
12.1 - 12.9 days .....	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )
13 days .....	1	1	2	1
13.1 - 13.9 days .....	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	-
14 days .....	( <sup>1</sup> )	1	( <sup>1</sup> )	( <sup>1</sup> )
More than 14 days .....	( <sup>1</sup> )	1	( <sup>1</sup> )	( <sup>1</sup> )
Number of days not available .....	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )
Not provided paid holidays .....	18	6	10	26

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

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

**Table 9. Paid vacations: Percent of full-time employees by amount of paid vacation days provided for selected periods of service, small private establishments, 1992**

Vacation policy	All employees	Professional, technical, and related employees	Clerical and sales employees	Blue-collar and service employees	Vacation policy	All employees	Professional, technical, and related employees	Clerical and sales employees	Blue-collar and service employees
Total .....	100	100	100	100					
Provided paid vacations <sup>1</sup> .....	88	94	94	81	After 5 years of service:—Continued				
Vacation days by minimum length-of-service requirement <sup>2</sup>					20 days .....	1	4	1	1
After 1 year of service:					Over 20 days .....	1	5	1	( <sup>3</sup> )
Under 5 days .....	( <sup>3</sup> )	( <sup>3</sup> )	( <sup>3</sup> )	( <sup>3</sup> )	After 10 years of service:				
5 days .....	46	24	39	58	Under 5 days .....	( <sup>3</sup> )	-	( <sup>3</sup> )	( <sup>3</sup> )
Over 5 and under 10 days .....	1	1	1	1	5 days .....	8	3	6	11
Over 10 and under 15 days .....	33	54	48	16	Over 5 and under 10 days .....	1	1	( <sup>3</sup> )	1
15 days .....	2	5	2	2	10 days .....	23	17	25	24
Over 15 and under 20 days .....	2	5	1	( <sup>3</sup> )	Over 10 and under 15 days .....	2	2	1	2
20 days .....	( <sup>3</sup> )	1	( <sup>3</sup> )	( <sup>3</sup> )	15 days .....	40	42	47	35
Over 20 days .....	1	2	1	( <sup>3</sup> )	Over 15 and under 20 days .....	2	2	2	2
After 3 years of service:					20 days .....	9	19	10	4
Under 5 days .....	( <sup>3</sup> )	-	( <sup>3</sup> )	( <sup>3</sup> )	Over 20 days .....	2	7	2	1
5 days .....	12	5	9	17	After 15 years of service:				
Over 5 and under 10 days .....	2	2	1	2	Under 5 days .....	( <sup>3</sup> )	-	( <sup>3</sup> )	( <sup>3</sup> )
Over 10 and under 15 days .....	62	66	74	54	5 days .....	8	3	6	11
15 days .....	4	5	4	3	Over 5 and under 10 days .....	1	1	( <sup>3</sup> )	1
Over 15 and under 20 days .....	4	9	4	3	10 days .....	21	16	23	21
20 days .....	1	2	1	( <sup>3</sup> )	Over 10 and under 15 days .....	1	1	1	1
Over 20 days .....	1	3	( <sup>3</sup> )	( <sup>3</sup> )	15 days .....	31	32	32	30
After 5 years of service:					Over 15 and under 20 days .....	2	2	3	1
Under 5 days .....	( <sup>3</sup> )	-	( <sup>3</sup> )	( <sup>3</sup> )	20 days .....	20	29	26	12
5 days .....	9	4	7	13	Over 20 days .....	4	9	3	2
Over 5 and under 10 days .....	1	2	1	2	After 20 years of service:				
Over 10 and under 15 days .....	45	38	50	44	Under 5 days .....	( <sup>3</sup> )	-	( <sup>3</sup> )	( <sup>3</sup> )
15 days .....	3	3	4	2	5 days .....	8	3	6	11
Over 15 and under 20 days .....	25	36	29	18	Over 5 and under 10 days .....	1	1	( <sup>3</sup> )	1
	1	2	1	( <sup>3</sup> )	10 days .....	21	16	23	21
					Over 10 and under 15 days .....	1	1	( <sup>3</sup> )	1
					15 days .....	26	27	27	26
					Over 15 and under 20 days .....	1	2	1	1
					20 days .....	22	31	29	14
					Over 20 days .....	8	13	8	6

**Table 9. Paid vacations: Percent of full-time employees by amount of paid vacation days provided for selected periods of service, small private establishments, 1992—Continued**

Vacation policy	All employees	Professional, technical, and related employees	Clerical and sales employees	Blue-collar and service employees	Vacation policy	All employees	Professional, technical, and related employees	Clerical and sales employees	Blue-collar and service employees
After 25 years of service:					After 30 years of service <sup>4</sup>				
Under 5 days .....	( <sup>1</sup> )	-	( <sup>1</sup> )	( <sup>1</sup> )	Under 5 days .....	( <sup>1</sup> )	-	( <sup>1</sup> )	( <sup>1</sup> )
5 days .....	8	3	6	11	5 days .....	8	3	6	11
Over 5 and under 10 days .....	1	1	( <sup>1</sup> )	1	Over 5 and under 10 days .....	1	1	( <sup>1</sup> )	1
10 days .....	21	16	23	21	10 days .....	21	16	23	21
Over 10 and under 15 days .....	1	1	( <sup>1</sup> )	1	Over 10 and under 15 days .....	1	1	( <sup>1</sup> )	1
15 days .....	26	27	27	25	15 days .....	26	27	26	25
Over 15 and under 20 days .....	1	2	1	1	Over 15 and under 20 days .....	1	2	1	1
20 days .....	19	28	24	13	20 days .....	19	28	24	12
Over 20 days .....	11	16	13	8	Over 20 days .....	11	16	13	8
					Not provided paid vacations .....	12	6	6	19

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

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

<sup>3</sup> Employees either are granted a specific number of days after completion of the indicated length of service, or accrue days during the next

12 month period. The total number of days are assumed available for use immediately upon completion of the described length-of-service interval.

<sup>4</sup> Provisions were virtually the same after longer years of service.

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

**Table 10. Paid vacations: Percent of full-time participants by length of service required to take vacation, small private establishments, 1992**

Length of service requirement	All participants	Professional, technical, and related participants	Clerical and sales participants	Blue-collar and service participants
Total .....	100	100	100	100
With service requirement .....	94	92	94	95
1 month .....	5	5	3	5
2 months .....	1	2	1	1
3 months .....	3	5	4	3
4-5 months .....	1	1	1	( <sup>1</sup> )
6 months .....	17	24	23	10
7-11 months .....	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )
1 year .....	65	55	61	73
Over 1 year .....	1	( <sup>1</sup> )	( <sup>1</sup> )	2
Without service requirement .....	5	8	4	4
Service requirement not determinable .....	1	1	1	2

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

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

**Table 11. Paid vacations: Percent of full-time participants by unused vacation policy, small private establishments, 1992**

Policy	All participants	Professional, technical, and related participants	Clerical and sales participants	Blue-collar and service participants
Total .....	100	100	100	100
Carryover only .....	21	27	25	16
Cash-in only .....	10	8	10	11
Carryover and cash-in .....	7	8	6	7
Unused benefit lost .....	58	55	57	61
Data not available .....	3	1	1	4

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

**Table 12. Paid vacations: Average number of days for full-time participants by length of service and cash-in/carryover provisions, small private establishments, 1992**

Vacation days by minimum length of service requirement <sup>1</sup>	All plans	Cash-in, carryover, or both	Carryover only	Cash-in only	Cash-in and carryover	No cash-in or carryover
After 1 year .....	7.6	8.1	8.8	6.7	8.3	7.3
After 3 years .....	9.9	10.2	10.5	8.9	11.2	9.7
After 5 years .....	11.5	12.2	13.0	10.0	12.9	11.0
After 10 years .....	13.5	14.4	15.3	12.4	14.7	13.0
After 15 years .....	14.5	15.3	16.4	13.1	15.4	14.0
After 20 years .....	15.1	15.9	17.1	13.7	15.7	14.6
After 25 years .....	15.3	16.2	17.4	13.9	15.9	14.8
After 30 years <sup>2</sup> .....	15.4	16.3	17.5	13.9	16.0	14.9

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

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

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

**Table 13. Paid personal leave: Percent of full-time employees by number of paid personal leave days provided per year, small private establishments, 1992**

Number of days	All employees	Professional, technical, and related employees	Clerical and sales employees	Blue-collar and service employees
Total .....	100	100	100	100
Provided personal leave .....	12	19	16	7
1 day .....	2	3	2	2
2 days .....	5	7	7	2
3 days .....	3	5	3	1
4 days .....	1	1	1	( <sup>1</sup> )
5 days .....	1	1	1	( <sup>1</sup> )
More than 5 days .....	( <sup>1</sup> )	1	1	( <sup>1</sup> )
No maximum specified <sup>2</sup> .....	1	2	2	1
Varies by length of service <sup>3</sup> .....	1	1	1	( <sup>1</sup> )
Number of days not available .....	( <sup>1</sup> )	-	-	( <sup>1</sup> )
Not provided personal leave .....	88	81	84	93

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

<sup>2</sup> Workers were provided as much personal leave as they needed.

<sup>3</sup> The maximum number of days provided was included in the distribution of personal leave days.

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

**Table 14. Paid funeral leave: Percent of full-time employees by number of paid funeral leave days available per occurrence, small private establishments, 1992**

Number of days	All employees	Professional, technical, and related employees	Clerical and sales employees	Blue-collar and service employees
Total .....	100	100	100	100
Provided paid funeral leave .....	50	60	56	43
1 day .....	2	1	2	3
2 days .....	5	5	5	6
3 days .....	30	31	34	26
4 days .....	1	2	1	( <sup>1</sup> )
5 days .....	4	6	4	3
More than 5 days .....	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )
No maximum specified <sup>2</sup> .....	8	15	9	5
Number of days not available .....	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )
Not provided paid funeral leave .....	50	40	44	57
Number of days varies by relationship to deceased <sup>3</sup> .....	10	11	15	7

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

<sup>2</sup> Workers were provided as much funeral leave as needed.

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

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

**Table 15. Paid jury-duty leave: Percent of full-time employees by number of paid jury-duty leave days available per occurrence, small private establishments, 1992**

Number of days	All employees	Professional, technical, and related employees	Clerical and sales employees	Blue-collar and service employees
Total .....	100	100	100	100
Provided paid jury-duty leave .....	58	76	65	47
Under 10 days .....	2	1	2	2
10 days .....	5	4	6	4
More than 10 days .....	1	3	1	( <sup>1</sup> )
No maximum specified <sup>2</sup> .....	50	67	56	40
Number of days not available .....	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )
Not provided paid jury-duty leave .....	42	24	35	53

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

<sup>2</sup> Jury-duty leave is provided as needed.

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

**Table 16. Paid military leave: Percent of full-time employees by number of paid military leave days available per year, small private establishments, 1992**

Number of days	All employees	Professional, technical, and related employees	Clerical and sales employees	Blue-collar and service employees
Total .....	100	100	100	100
Provided paid military leave .....	21	33	27	13
Under 10 days .....	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )
10 days .....	10	12	14	6
More than 10 days .....	2	3	2	2
No maximum specified <sup>2</sup> .....	7	13	8	5
Number of days not available .....	2	5	3	-
Not provided paid military leave .....	79	67	73	87

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

<sup>2</sup> Military leave is provided as needed.

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

**Table 17. Parental leave: Percent of full-time employees by parental leave policy, small private establishments, 1992**

Employer leave policy	All employees	Professional, technical, and related employees	Clerical and sales employees	Blue-collar and service employees
Total .....	100	100	100	100
Eligible for parental leave <sup>1</sup> .....	21	31	24	15
Eligible for maternity leave .....	20	31	23	15
Paid days only .....	1	3	1	1
Unpaid days only .....	18	26	20	13
Both unpaid and paid days .....	( <sup>2</sup> )	1	( <sup>2</sup> )	( <sup>2</sup> )
Information not available on type of days .....	1	1	1	1
Not eligible for maternity leave .....	1	1	1	1
Eligible for paternity leave .....	9	15	10	7
Paid days only .....	1	1	( <sup>2</sup> )	( <sup>2</sup> )
Unpaid days only .....	8	13	9	6
Both unpaid and paid days .....	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )
Information not available on type of days .....	( <sup>2</sup> )	1	( <sup>2</sup> )	( <sup>2</sup> )
Not eligible for paternity leave .....	12	17	14	9
Not eligible for parental leave .....	79	69	76	85

<sup>1</sup> Parental leave includes plans providing maternity leave only, paternity leave only, and both maternity and paternity leave.

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

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



**Table 18. Unpaid maternity and paternity leave<sup>1</sup>: Percent of eligible full-time employees by maximum duration of benefits, small private establishments, 1992**

Duration	All eligible employees	Professional, technical, and related employees	Clerical and sales employees	Blue-collar and service employees
<b>Unpaid maternity leave</b>				
Total .....	100	100	100	100
Under 1 month .....	2	2	2	3
1 month .....	-	-	-	-
Over 1 but under 2 months .....	35	32	28	45
2 months .....	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )
Over 2 but under 3 months .....	14	13	15	15
3 months .....	11	8	15	10
Over 3 but under 4 months .....	1	1	1	1
4 months .....	5	4	6	4
Over 4 but under 5 months .....	6	5	6	6
5 months .....	-	-	-	-
Over 5 but under 6 months .....	2	3	1	1
6 months .....	16	25	22	4
Over 6 but under 12 months .....	1	1	( <sup>2</sup> )	( <sup>2</sup> )
12 months .....	6	5	4	10
Over 12 months .....	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	1
Average months .....	3.52	3.72	3.55	3.34
<b>Unpaid paternity leave</b>				
Total .....	100	100	100	100
Under 1 month .....	2	3	2	2
1 month .....	-	-	-	-
Over 1 but under 2 months .....	33	37	22	40
2 months .....	-	-	-	-
Over 2 but under 3 months .....	17	13	20	17
3 months .....	16	15	22	12
Over 3 but under 4 months .....	1	1	2	1
4 months .....	6	4	8	7
Over 4 but under 5 months .....	5	4	5	5
5 months .....	-	-	-	-
Over 5 but under 6 months .....	3	7	2	1
6 months .....	8	7	12	6
Over 6 but under 12 months .....	1	1	1	1
12 months .....	7	7	5	10
Over 12 months .....	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )
Average months .....	3.41	3.44	3.48	3.33

<sup>1</sup> Includes only plans that allowed a fixed number of unpaid leave days.

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

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

## Chapter 3. Disability Benefits

This chapter discusses three types of disability benefits: Sick leave, sickness and accident insurance, and long-term disability insurance.

- Paid sick leave and sickness and accident insurance provide protection against loss of income during temporary absences from work due to illness or accident.
- During more extended periods of disability, income may be continued through long-term disability insurance plans.

Short-term disability protection through sick leave, sickness and accident insurance, or both, was provided to three-fifths of all full-time employees in small establishments in 1992 (table 19). Sick leave usually provides 100 percent of the worker's normal earnings, whereas sickness and accident insurance usually replaces 50 to 67 percent of pay.

Sick leave was provided to just over half the full-time employees and sickness and accident insurance to one-fourth. About an eighth of all employees had sick leave plans coordinated with sickness and accident insurance. Coordination can take two forms: Starting insurance benefits after sick leave pay has ended, or paying both benefits concurrently. When payments are made from both sources, sick leave pay is reduced by the amount of the insurance benefits so that the total benefit does not exceed full salary.

Regardless of the method of coordination, employers offering sickness and accident insurance tended to allow fewer sick leave days than those without such insurance. At 5 years of service, for example, annual sick leave plans coordinated with insurance granted an average of 7.5 days at full pay. Plans not coordinated with insurance provided 9.9 days.

Long-term disability insurance (LTD), which typically pays 60 percent of earnings, was provided to nearly one-fourth of the full-time employees in small establishments in 1992. LTD insurance payments usually begin after 3 or 6 months of disability and continue until retirement age or for a specified number of months, depending on the worker's age at the time of disability.

Paid sick leave and LTD insurance were more prevalent among white-collar workers, while sickness and accident insurance was slightly more prevalent among blue-collar workers.

### Paid sick leave

Of the employees covered by paid sick leave plans, four-fifths were allowed a fixed number of days per year (annual sick leave plans). The remainder were covered by either per disability benefits (benefits provided for each illness) or were

provided sick leave on an "as needed" basis. Plans providing both an annual and per disability benefit were rare (tables 20-25). Employees receiving annual plans averaged 7.7 days at 1 year, 9.1 days at 5 years, 10.9 days at 15 years, and 12.0 days at 25 years.

About two-fifths of the employees covered by annual sick leave plans were allowed to carry over and accumulate unused sick leave from year to year (cumulative plans). Two-thirds of the employees in cumulative plans had limits on the amount of sick leave that could be carried over to the next year, typically between 10 and 100 days. The remaining workers in cumulative plans were allowed to accumulate an unlimited amount of sick leave.

Workers were often not immediately eligible for sick leave benefits. Slightly over one-half of employees had to meet length of service requirements before qualifying for sick leave benefits. Three months was the most common length of service requirement.

While sick leave is commonly thought of as replacing lost income while an employee is ill or injured, most workers could use their benefits for other reasons. For example, using sick leave to take care of a sick child or to take care of personal business were the most frequently observed provisions.

### Sickness and accident insurance

Sickness and accident insurance plans covered one-fourth of full-time employees in small establishments, protecting them against income losses due to short-term disabilities. Two-thirds of the participants had their benefits fully paid by their employer. The remainder most often paid a percent of earnings, up to a specified maximum contribution<sup>8</sup> (tables 26-28).

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

Under earnings-based formulas, the percent of earnings was usually fixed—typically 50 to 67 percent—although some plans varied the percent by length of service or length of disability. Four-fifths of the participants in earnings-based plans had a limit on the dollar amount of the weekly benefit.

Blue-collar workers were the most frequent recipients of scheduled dollar benefits, which provided either a fixed weekly amount or weekly benefits that varied by earnings, service, or

<sup>8</sup>The prevalence of such contribution formulas is influenced in large part by the mandatory sickness and accident insurance plans in New York and New Jersey, discussed later in this chapter.

length of disability.

All plans placed a fixed maximum on the number of weeks of coverage, commonly 26 weeks.

Four-fifths of the employees with sickness and accident insurance were required to be on the job for a specified time before they were covered by the plan. This service requirement was typically 5 months or less.

Sickness and accident insurance, unlike sick leave, usually requires a waiting period before benefits begin, most commonly 1 to 7 days. Waiting periods may be shortened or eliminated entirely for employees involved in an accident or hospitalized. The waiting period is effectively dropped when sickness and accident insurance is coordinated with sick leave, because insurance payments typically start after sick leave pay has ended.

Workers in two States, New Jersey and New York, are covered by mandatory temporary disability insurance plans that are at least partially employer financed. Both of these State plans pay benefits based on a proportion of the worker's earnings for up to 26 weeks with a limit on the weekly benefit. The State of New York requires that employers provide 50 percent of earnings to a maximum of \$170 per week. Similarly, the State of New Jersey mandates that employers provide temporary disability insurance of 67 percent of earnings to a maximum of \$288 per week.<sup>9</sup> The State of Hawaii also requires that employers provide a minimum level of temporary disability income protection—55 percent of earnings to a maximum of \$291 per week for up to 26 weeks.<sup>10</sup>

### Long-term disability insurance

Long-term disability insurance provides a monthly benefit to employees who, due to illness or injury, are unable to work for an extended period of time (tables 29-33). Generally, LTD benefit payments begin after 3 or 6 months of disability and continue until retirement age, or for a specified number of months, depending on the employee's age at time of disability. In most instances, the LTD payments take the form of a percent of predisability earnings.

Of the full-time employees covered by the survey, 23 percent had LTD coverage; 17 percent of those employees with coverage were required to contribute towards the cost of their plan. Of those with jointly financed LTD plans, one-fourth could choose from various options under a "cafeteria plan," with employee contributions varying by the mix of benefits selected. (See chapter 7 for additional information on cafete-

ria plans.) Another third contributed a monthly amount per \$100 of covered earnings, with the most common rate between 20 and 39 cents per \$100 of coverage.<sup>11</sup>

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

Service requirements were imposed upon one-half of the LTD participants before they were covered by their plan. About two-thirds of participants with service requirements had to work 1 to 3 months before becoming eligible for benefits.

Long-term disability plans require a waiting period before benefits begin. About one-third of the full-time participants had to wait 3 months, and another two-fifths had to wait 6 months after the disability occurred before beginning to receive LTD payments. For some participants, LTD benefits commenced after sick leave and sickness and accident insurance benefits ended.

About 9 out of 10 participants received their LTD benefit as a fixed percent of predisability earnings. The most common benefit was 60 percent of monthly pay. Most of these plans set a limit on maximum monthly payments. These maximums commonly ranged between \$2,501 and \$10,000; the average was \$5,768.

About one-third of the participants were in plans that imposed a maximum on all sources of disability income. Such ceilings affected benefits only if the amount payable from the LTD plan plus income from outside sources, such as rehabilitative employment and all Social Security payments, exceeded a specified percentage (most commonly 70 or 75 percent) of predisability earnings.

Survivor benefits, payable to an eligible dependent upon the death of a disabled employee, were available in plans covering just over two-fifths of the LTD participants. These benefits usually took the form of a lump-sum payment (most often equal to three times the monthly LTD benefit) or a percent of the monthly LTD benefit paid for a fixed number of months (generally not more than 6 months).

Plans that included coverage for disabilities due to mental illness covered about three-fourths of long-term disability plan participants. However, the majority of these had limits placed upon coverage. In most of these cases, benefits were provided for a specified period (usually 24 months) and then ceased unless the participant was institutionalized at the end of the limiting period.

<sup>11</sup> Covered earnings are that portion of a worker's earnings to which the replacement rate formula is applied. For example, if an LTD plan pays 60 percent of earnings with a maximum monthly benefit of \$3,000, covered earnings would be \$5,000 (\$3,000 is 60 percent of \$5,000).

<sup>9</sup> Both States permit an employer to substitute a private plan for the State plan if the benefits provided are at least equivalent. In New York, many employers agree to pay the employee's share of plan costs. California and Rhode Island also have mandated temporary disability insurance plans, but these plans require no employer contribution and, thus, are not included in this survey.

<sup>10</sup> For more information on short-term disability benefits, see Jerline Thompson, "Incidence and Type of Disability Insurance Benefits, 1988-90," *Monthly Labor Review*, July 1993, pp. 51-53.

**Table 19. Short-term disability coverage: Percent of full-time employees by participation in sickness and accident insurance plans and paid sick leave plans, small private establishments, 1992**

Type of plan	All employees	Professional, technical, and related employees	Clerical and sales employees	Blue-collar and service employees
Total .....	100	100	100	100
With short-term disability coverage ..	64	78	76	51
Sickness and accident insurance only .....	10	5	5	16
Paid sick leave only .....	37	54	49	24
Combined sickness and accident insurance/paid sick leave .....	16	19	22	11
Without short-term disability coverage .....	36	22	24	49

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

**Table 20. Paid sick leave: Percent of full-time employees by type of provision, small private establishments, 1992**

Provision	All employees	Professional, technical, and related employees	Clerical and sales employees	Blue-collar and service employees
Total .....	100	100	100	100
Provided paid sick leave .....	53	74	70	35
Sick leave provided on:				
An annual basis only <sup>1</sup> .....	42	51	55	31
A per disability basis only <sup>2</sup> .....	5	10	7	2
Both an annual and per disability basis .....	2	4	3	1
As needed basis <sup>3</sup> .....	4	8	5	2
Other basis <sup>4</sup> .....	( <sup>5</sup> )	1	-	-
Policy not available .....	( <sup>5</sup> )	( <sup>5</sup> )	( <sup>5</sup> )	( <sup>5</sup> )
Not provided paid sick leave .....	47	26	30	65

<sup>1</sup> Employees earn a specified number of sick leave days per year. This number may vary by length of service.

<sup>2</sup> Employees earn a specified number of sick leave days for each illness or disability. This number may vary by length of service.

<sup>3</sup> Plan does not specify maximum number of days.

<sup>4</sup> Includes formal plans with provisions that change from a specified number of days per year to a specified number of days per absence after a certain service period.

<sup>5</sup> Less than 0.5 percent.

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

**Table 21. Paid sick leave: Percent of full-time employees by sick leave provision, small private establishments, 1992**

Sick leave policy <sup>1</sup>	All employees	Professional, technical, and related employees	Clerical and sales employees	Blue-collar and service employees	Sick leave policy <sup>1</sup>	All employees	Professional, technical, and related employees	Clerical and sales employees	Blue-collar and service employees
Total .....	100	100	100	100					
Provided paid sick leave <sup>2</sup> .....	53	74	70	35	After 15 years of service:—Continued				
Sick leave provided annually <sup>3</sup> .....	44	55	58	31	10 and under 15 days .....	11	18	15	7
After 1 year of service:					15 and under 30 days .....	2	3	3	1
Under 5 days .....	6	5	5	7	30 and under 60 days .....	(*)	(*)	(*)	(*)
5 and under 10 days .....	24	28	33	16	60 and under 120 days .....	1	1	2	(*)
10 and under 15 days .....	11	18	15	7	120 days or more .....	1	1	1	(*)
15 and under 30 days .....	2	3	3	1	After 20 years of service:				
30 and under 60 days .....	(*)	(*)	(*)	(*)	Under 5 days .....	5	4	4	6
60 and under 120 days .....	(*)	(*)	1	(*)	5 and under 10 days .....	23	28	32	16
120 days or more .....	(*)	(*)	(*)	(*)	10 and under 15 days .....	11	18	15	7
After 5 years of service:					15 and under 30 days .....	1	3	2	1
Under 5 days .....	5	4	4	7	30 and under 60 days .....	1	(*)	2	(*)
5 and under 10 days .....	24	28	32	17	60 and under 120 days .....	1	1	1	(*)
10 and under 15 days .....	11	17	15	7	120 days or more .....	1	1	1	(*)
15 and under 30 days .....	2	3	4	1	After 25 years of service: <sup>5</sup>				
30 and under 60 days .....	1	1	1	(*)	Under 5 days .....	5	4	4	6
60 and under 120 days .....	1	1	1	(*)	5 and under 10 days .....	23	27	32	16
120 days or more .....	(*)	(*)	(*)	(*)	10 and under 15 days .....	12	18	15	7
After 10 years of service:					15 and under 30 days .....	1	3	2	1
Under 5 days .....	5	4	4	6	30 and under 60 days .....	1	(*)	2	(*)
5 and under 10 days .....	23	28	32	16	60 and under 120 days .....	1	1	1	(*)
10 and under 15 days .....	11	17	15	7	120 days or more .....	1	2	1	(*)
15 and under 30 days .....	2	3	3	1	Sick leave provided on a per disability basis <sup>6</sup> .....	7	15	10	2
30 and under 60 days .....	(*)	1	1	(*)	As needed basis <sup>7</sup> .....	4	8	5	2
60 and under 120 days .....	1	1	1	(*)	Other basis <sup>8</sup> .....	(*)	1	-	-
120 days or more .....	(*)	(*)	1	(*)	Policy not available .....	(*)	(*)	(*)	(*)
After 15 years of service:					Not provided paid sick leave .....	47	26	30	65
Under 5 days .....	5	4	4	6					
5 and under 10 days .....	23	28	32	16					

<sup>1</sup> Some plans grant sick leave at partial pay, either in addition or as an alternative to full-pay provisions. Employees receiving partial pay only or no sick leave in their early years of service are included in the overall percentages of workers provided sick leave; however, they are disregarded in computing the distributions by length of service up to the service period at which they become eligible for full sick leave pay.

<sup>2</sup> The total is less than the sum of the individual breakdowns because some employees had annual and per disability plans.

<sup>3</sup> Employees are either granted a specific number of days after completion of the indicated length of service, or accrue days during the next 12-month period. The total number of days are assumed available for use immediately upon completion of the described length-of-service interval.

<sup>4</sup> Less than 0.5 percent.

<sup>5</sup> Provisions were virtually the same after longer years of service.

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

<sup>7</sup> Plan does not specify maximum number of days.

<sup>8</sup> Includes formal plans with provisions that change from a specified number of days per year to a specified number of days per absence after a certain service period.

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

**Table 22. Paid annual sick leave: Average number of days at full pay for full-time participants, small private establishments, 1992**

Sick leave policy	All participants	Professional, technical, and related participants	Clerical and sales participants	Blue-collar and service participants
<b>Paid annual sick leave days<sup>1</sup> by minimum length-of-service requirement:</b>				
After 1 year .....	7.7	8.7	8.3	6.4
After 3 years .....	8.4	9.4	9.3	6.8
After 5 years .....	9.1	10.1	10.2	7.2
After 10 years .....	10.2	11.4	11.7	7.8
After 15 years .....	10.9	12.2	12.6	8.2
After 20 years .....	11.6	12.8	13.5	8.5
After 25 years <sup>2</sup> .....	12.0	13.2	14.2	8.6

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

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

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

**Table 23. Paid annual sick leave:<sup>1</sup> Average number of days at full pay for full-time participants by sickness and accident insurance coordination, small private establishments, 1992**

Sick leave policy	All participants	Professional, technical, and related participants	Clerical and sales participants	Blue-collar and service participants
<b>Sick leave days by minimum length-of-service requirement<sup>2</sup></b>				
<b>After 1 year of service:</b>				
With sickness and accident insurance .....	6.6	7.2	6.8	6.0
Without sickness and accident insurance .....	8.3	9.2	9.0	6.7
<b>After 3 years of service:</b>				
With sickness and accident insurance .....	7.0	8.0	7.3	6.2
Without sickness and accident insurance .....	9.1	9.9	10.2	7.2
<b>After 5 years of service:</b>				
With sickness and accident insurance .....	7.5	8.7	7.9	6.3
Without sickness and accident insurance .....	9.9	10.7	11.2	7.7
<b>After 10 years of service:</b>				
With sickness and accident insurance .....	8.3	10.2	9.2	6.5
Without sickness and accident insurance .....	11.1	11.8	12.8	8.4
<b>After 15 years of service:</b>				
With sickness and accident insurance .....	8.9	11.0	9.9	6.6
Without sickness and accident insurance .....	11.9	12.6	13.8	9.0
<b>After 20 years of service:</b>				
With sickness and accident insurance .....	9.2	11.7	10.4	6.6
Without sickness and accident insurance .....	12.6	13.3	14.9	9.5
<b>After 25 years of service:<sup>3</sup></b>				
With sickness and accident insurance .....	9.4	12.0	10.8	6.6
Without sickness and accident insurance .....	13.2	13.6	15.8	9.7

<sup>1</sup> Paid sick leave plans with a specified number of days available each year.

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

<sup>3</sup> The average (mean) was virtually the same at longer years of service.

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

**Table 24. Paid annual sick leave:<sup>1</sup> Percent of full-time participants by unused sick leave policy and carryover provisions, small private establishments, 1992**

Unused sick leave policy and carryover provisions	All participants	Professional, technical, and related participants	Clerical and sales participants	Blue-collar and service participants
<b>Unused sick leave policy</b>				
Total .....	100	100	100	100
Carryover only .....	30	37	28	27
Cash-in only .....	13	11	11	17
Carryover and cash-in .....	8	10	10	6
Unused benefit lost .....	49	42	52	50
Data not available .....	( <sup>2</sup> )	1	( <sup>2</sup> )	( <sup>2</sup> )
<b>Carryover provisions</b>				
Total .....	100	100	100	100
Unlimited accumulation .....	33	30	27	45
<b>Limit on total number of days accumulated</b>				
66	66	69	73	55
Under 10 days .....	6	8	6	3
10 days .....	7	5	9	5
11 - 19 days .....	10	7	9	14
20 days .....	1	2	1	1
21 - 24 days .....	2	1	1	3
25 days .....	2	2	1	3
26 - 29 days .....	( <sup>2</sup> )	( <sup>2</sup> )	-	-
30 - 39 days .....	10	13	8	10
40 - 49 days .....	4	8	3	2
50 days .....	1	1	1	1
51 - 64 days .....	7	9	6	6
65 days .....	1	( <sup>2</sup> )	1	1
66 - 79 days .....	1	-	2	-
80 - 89 days .....	( <sup>2</sup> )	( <sup>2</sup> )	1	( <sup>2</sup> )
90 - 99 days .....	4	5	3	3
100 - 109 days .....	( <sup>2</sup> )	1	( <sup>2</sup> )	( <sup>2</sup> )
120 - 129 days .....	1	1	1	1
130 days .....	7	2	15	( <sup>2</sup> )
Over 130 days .....	2	2	3	2
Days not available .....	1	1	2	1
Other <sup>3</sup> .....	( <sup>2</sup> )	-	( <sup>2</sup> )	( <sup>2</sup> )
Data not available .....	( <sup>2</sup> )	1	( <sup>2</sup> )	( <sup>2</sup> )

<sup>1</sup> Paid sick leave plans with a specified number of days available each year.

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

<sup>3</sup> Includes carryover provisions that vary by length of service.

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

**Table 25. Paid sick leave: Percent of full-time participants by length-of-service requirement for participation, small private establishments, 1992**

Length-of-service requirement	All participants	Professional, technical, and related participants	Clerical and sales participants	Blue-collar and service participants
Total .....	100	100	100	100
With service requirement .....	54	48	57	56
1 month .....	9	11	9	8
2 months .....	3	3	4	3
3 months .....	20	19	22	18
4-5 months .....	1	1	( <sup>1</sup> )	( <sup>1</sup> )
6 months .....	10	7	12	10
7-11 months .....	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )
1 year .....	10	5	9	14
Over 1 year .....	1	1	1	1
Without service requirement .....	44	50	41	43
Data not available .....	2	2	3	2

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

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

**Table 26. Sickness and accident insurance: Percent of full-time participants by type and duration of payments, small private establishments, 1992**

Type of payment	Total	Maximum weeks of coverage								
		Total	Less than 13	13	14-25	26	27-51	52	Greater than 52	Varies by service
<b>All participants</b>										
All types .....	100	100	4	15	4	70	1	3	1	2
Fixed percent of earnings .....	73	73	2	9	3	55	0	2	1	1
Less than 50 .....	( )	( )	1	1	1	0	0	1	1	1
50 .....	35	35	0	1	0	32	0	1	0	0
55 .....	1	1	0	0	0	0	0	0	0	0
60 .....	16	16	1	6	1	5	0	1	0	0
65 .....	1	1	0	0	0	0	0	0	0	0
66 .....	( )	( )	0	1	0	0	0	0	0	0
67 .....	17	17	0	1	0	15	0	1	0	0
70 .....	3	3	0	0	1	2	0	0	0	0
75 .....	( )	( )	0	0	0	0	0	0	0	0
80 .....	( )	( )	0	0	0	0	0	0	0	0
Other percent .....	1	1	0	0	0	0	0	0	0	0
Percent of earnings varies .....	2	2	0	1	0	1	0	0	0	0
By service .....	1	1	0	0	0	0	0	0	0	0
By length of disability .....	1	1	0	1	0	0	0	0	0	0
By both service and length of disability .....	( )	( )	0	0	0	0	0	0	0	0
By earnings .....	( )	( )	0	0	0	0	0	0	0	0
Fixed weekly dollar benefit .....	23	23	2	5	1	13	0	1	0	0
Less than \$100 .....	7	7	2	3	0	2	0	1	0	0
\$100-\$124 .....	6	6	0	1	0	4	0	0	0	0
\$125-\$149 .....	2	2	0	0	0	1	0	0	0	0
\$150-\$174 .....	3	3	0	0	0	2	0	0	0	0
\$175-\$199 .....	2	2	0	0	0	2	0	0	0	0
\$200-\$224 .....	3	3	0	0	0	2	0	0	0	0
\$225 or more .....	1	1	0	0	0	0	0	0	0	0
Weekly dollar benefit varies .....	1	1	0	0	0	0	0	0	0	0
By earnings .....	1	1	0	0	0	0	0	0	0	0
By service or length of disability .....	( )	( )	0	0	0	0	0	0	0	0
<b>Professional, technical, and related</b>										
All types .....	100	100	4	17	10	64	1	4	1	0
Fixed percent of earnings .....	83	83	3	12	9	54	0	3	1	0
50 .....	33	33	2	0	1	30	0	0	0	0
55 .....	2	2	0	1	0	0	0	0	0	0
60 .....	17	17	2	7	2	6	0	1	0	0
65 .....	2	2	0	0	0	0	0	0	0	0
66 .....	1	1	0	0	0	1	0	0	0	0
67 .....	18	18	0	4	3	14	0	0	0	0
70 .....	7	7	0	0	0	2	0	0	0	0
75 .....	( )	( )	0	0	0	0	0	0	0	0
80 .....	( )	( )	0	0	0	0	0	0	0	0
Other percent .....	2	2	0	0	2	0	0	0	0	0

See footnotes at end of table.



**Table 26. Sickness and accident insurance: Percent of full-time participants by type and duration of payments, small private establishments, 1992—Continued**

Type of payment	Total	Maximum weeks of coverage								
		Total	Less than 13	13	14-25	26	27-51	52	Greater than 52	Varies by service
<b>Professional, technical, and related—Continued</b>										
Percent of earnings varies .....	2	2	1	2	-	-	-	-	-	-
By service .....	1	1	1	-	-	-	-	-	-	-
By length of disability .....	2	2	-	2	-	-	-	-	-	-
Fixed weekly dollar benefit .....	14	14	-	3	0	9	1	1	0	-
Less than \$100 .....	3	3	-	1	0	1	1	0	0	-
\$100-\$124 .....	6	6	-	1	-	5	-	-	-	-
\$125-\$149 .....	0	0	-	-	-	0	-	-	-	-
\$150-\$174 .....	1	1	-	-	0	1	-	0	-	-
\$175-\$199 .....	1	1	-	-	-	1	-	0	-	-
\$200-\$224 .....	1	1	-	-	-	1	-	0	-	-
\$225 or more .....	2	2	-	-	-	1	-	0	-	-
Weekly dollar benefit varies .....	1	1	-	0	-	1	0	-	-	-
By earnings .....	1	1	-	0	-	1	0	-	-	-
By service or length of disability ..	0	0	-	-	-	-	0	-	-	-
<b>Clerical and sales</b>										
All types .....	100	100	6	11	5	73	1	3	1	2
Fixed percent of earnings .....	82	82	2	8	4	63	1	2	1	2
Less than 50 .....	0	0	-	-	-	-	0	-	-	-
50 .....	39	39	0	1	0	38	-	0	-	-
55 .....	1	1	-	0	-	1	-	-	-	-
60 .....	17	17	1	5	1	6	0	0	1	1
65 .....	0	0	-	-	0	0	-	-	0	-
66 .....	0	0	-	-	0	0	-	-	0	-
67 .....	17	17	1	1	0	15	-	0	0	0
70 .....	5	5	-	0	1	2	-	1	-	0
75 .....	1	1	0	0	0	0	-	-	-	0
80 .....	1	1	-	0	0	0	-	-	-	0
Other percent .....	0	0	-	-	-	0	-	-	-	-
Percent of earnings varies .....	2	2	0	0	-	1	-	-	-	-
By service .....	2	2	0	0	-	1	-	-	-	-
By length of disability .....	0	0	-	0	-	-	-	-	-	-
Fixed weekly dollar benefit .....	15	15	3	2	1	8	-	1	0	0
Less than \$100 .....	7	7	3	2	0	2	-	-	0	0
\$100-\$124 .....	3	3	-	0	0	2	-	-	-	-
\$125-\$149 .....	1	1	-	0	1	0	-	-	-	-
\$150-\$174 .....	2	2	-	-	-	1	-	0	-	0
\$175-\$199 .....	1	1	-	-	-	1	-	0	-	-
\$200-\$224 .....	1	1	-	-	-	1	-	0	-	-
\$225 or more .....	1	1	-	-	-	0	-	0	-	-
Weekly dollar benefit varies .....	1	1	-	1	-	0	-	-	-	-
By earnings .....	1	1	-	1	-	0	-	-	-	-

See footnotes at end of table.

**Table 26. Sickness and accident insurance: Percent of full-time participants by type and duration of payments, small private establishments, 1992—Continued**

Type of payment	Total	Maximum weeks of coverage								Varies by service
		Total	Less than 13	13	14-25	26	27-51	52	Greater than 52	
<b>Blue-collar and service</b>										
All types .....	100	100	3	17	2	70	2	3	1	2
Fixed percent of earnings .....	65	65	1	10	1	50	(1)	3	(1)	1
Less than 50 .....	(1)	(1)	-	-	-	(1)	-	-	-	-
50 .....	32	32	-	2	(1)	28	-	-	-	1
55 .....	(1)	(1)	-	-	-	(1)	-	-	-	-
60 .....	15	15	(1)	6	1	5	-	-	-	-
65 .....	(1)	(1)	-	-	-	(1)	-	-	(1)	-
66 .....	(1)	(1)	-	-	-	(1)	-	-	-	-
67 .....	16	16	(1)	1	-	15	-	(1)	-	-
70 .....	1	1	-	(1)	-	1	-	(1)	-	(1)
75 .....	(1)	(1)	-	(1)	-	-	-	-	-	(1)
80 .....	(1)	(1)	-	(1)	(1)	-	-	-	-	(1)
Other percent .....	(1)	(1)	-	-	(1)	(1)	-	-	-	(1)
Percent of earnings varies .....	3	3	(1)	(1)	-	2	-	-	-	(1)
By service .....	1	1	(1)	-	-	1	-	-	-	(1)
By length of disability .....	(1)	(1)	-	(1)	-	-	-	-	-	-
By both service and length of disability .....	1	1	-	-	-	1	-	-	-	(1)
By earnings .....	(1)	(1)	-	-	-	(1)	-	-	-	(1)
Fixed weekly dollar benefit .....	30	30	2	7	1	18	1	1	(1)	1
Less than \$100 .....	8	8	2	4	(1)	2	-	(1)	(1)	-
\$100-\$124 .....	7	7	-	2	(1)	4	-	(1)	(1)	1
\$125-\$149 .....	3	3	-	(1)	(1)	2	1	-	(1)	-
\$150-\$174 .....	4	4	-	1	(1)	3	-	(1)	(1)	-
\$175-\$199 .....	3	3	-	-	(1)	3	-	(1)	(1)	-
\$200-\$224 .....	4	4	-	(1)	-	3	(1)	(1)	(1)	-
\$225 or more .....	(1)	(1)	-	(1)	-	(1)	-	(1)	(1)	-
Weekly dollar benefit varies .....	2	2	-	(1)	-	(1)	1	(1)	(1)	-
By earnings .....	1	1	-	(1)	-	(1)	-	(1)	(1)	-
By service or length of disability ..	1	1	-	-	-	(1)	1	(1)	(1)	-

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

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

**Table 27. Sickness and accident insurance: Percent of full-time participants with benefits based on percent of earnings formula by maximum weekly benefit, small private establishments, 1992**

Type of payment	Total	Maximum weekly benefit										No maximum	Data not available
		Total with maximum	Less than \$150	\$150 to \$199	\$200 to \$249	\$250 to \$299	\$300 to \$349	\$350 to \$399	\$400 to \$449	\$450 to \$499	\$500 or more		
<b>All participants</b>													
Total .....	100	81	2	42	2	17	4	1	3	1	9	19	1
Fixed percent of earnings .....	97	79	2	42	2	16	4	1	3	1	8	17	( )
Less than 50 .....	( )	-	-	-	-	-	-	-	-	-	-	( )	-
50 .....	46	43	1	40	1	1	1	-	( )	-	( )	3	-
55 .....	1	1	-	( )	-	( )	1	-	-	-	-	( )	-
60 .....	21	10	1	1	1	1	2	-	-	( )	3	11	( )
65 .....	1	( )	-	-	-	-	-	-	-	-	( )	( )	-
66 .....	( )	( )	-	( )	-	-	-	-	-	-	( )	( )	-
67 .....	22	20	1	1	( )	14	1	1	1	-	1	2	-
70 .....	4	4	-	( )	( )	( )	( )	-	( )	( )	2	( )	-
75 .....	( )	( )	-	-	( )	-	( )	-	-	-	-	( )	-
80 .....	( )	( )	-	-	-	-	-	-	-	-	( )	( )	-
Other percent .....	1	1	-	-	( )	-	( )	-	-	-	( )	( )	-
Percent of earnings varies .....	3	1	( )	-	-	1	-	-	-	-	1	1	( )
<b>Professional, technical, and related</b>													
Total .....	100	82	( )	34	2	12	6	-	5	1	21	18	( )
Fixed percent of earnings .....	97	81	( )	34	2	12	6	-	5	1	20	16	( )
50 .....	39	34	( )	33	( )	1	-	-	( )	-	( )	5	-
55 .....	2	2	-	-	-	( )	2	-	-	-	-	-	-
60 .....	20	11	-	( )	( )	( )	1	-	1	( )	7	9	( )
65 .....	2	2	-	-	-	-	-	-	-	-	2	1	-
66 .....	1	1	-	( )	-	-	-	-	-	-	1	( )	-
67 .....	21	20	( )	1	1	10	3	-	4	-	2	1	-
70 .....	9	8	-	-	( )	-	( )	-	( )	1	6	( )	-
75 .....	( )	-	-	-	-	-	-	-	-	-	-	( )	-
80 .....	1	-	-	-	-	-	-	-	-	-	-	1	-
Other percent .....	2	2	-	-	( )	-	( )	-	-	-	2	-	-
Percent of earnings varies .....	3	1	-	-	-	-	-	-	-	-	1	2	-
<b>Clerical and sales</b>													
Total .....	100	80	1	45	3	15	3	-	3	( )	10	20	( )
Fixed percent of earnings .....	97	80	1	45	3	15	3	-	3	( )	9	18	( )
Less than 50 .....	( )	-	-	-	-	-	-	-	-	-	-	( )	-
50 .....	47	44	( )	43	-	1	-	-	-	-	( )	3	-
55 .....	2	2	-	1	-	( )	1	-	-	-	-	( )	-
60 .....	20	11	( )	1	2	( )	2	-	2	( )	4	9	( )
65 .....	( )	( )	-	-	-	-	-	-	-	-	( )	( )	-
66 .....	( )	( )	-	( )	-	-	-	-	-	-	-	-	-
67 .....	21	17	( )	( )	1	13	1	-	1	-	1	3	-
70 .....	6	5	-	-	1	1	( )	-	( )	-	3	1	-
75 .....	1	( )	-	-	( )	-	( )	-	-	-	-	( )	( )
80 .....	1	( )	-	-	( )	-	-	-	-	-	( )	1	-
Other percent .....	( )	( )	-	-	( )	-	-	-	-	-	-	-	-
Percent of earnings varies .....	3	( )	( )	-	-	-	-	-	-	-	( )	2	-

See footnotes at end of table.

**Table 27. Sickness and accident insurance: Percent of full-time participants with benefits based on percent of earnings formula by maximum weekly benefit, small private establishments, 1992—Continued**

Type of payment	Total	Maximum weekly benefit										No maximum	Data not available
		Total with maximum	Less than \$150	\$150 to \$199	\$200 to \$249	\$250 to \$299	\$300 to \$349	\$350 to \$399	\$400 to \$449	\$450 to \$499	\$500 or more		
<b>Blue-collar and service</b>													
Total .....	100	81	4	43	2	21	4	1	3	1	3	18	1
Fixed percent of earnings .....	96	78	3	43	2	19	4	1	3	1	3	18	( <sup>1</sup> )
Less than 50 .....	( <sup>1</sup> )	-	-	-	-	-	-	-	-	-	-	( <sup>1</sup> )	-
50 .....	47	46	1	40	1	2	1	-	-	-	-	1	-
55 .....	( <sup>1</sup> )	( <sup>1</sup> )	-	( <sup>1</sup> )	-	-	-	-	-	-	-	( <sup>1</sup> )	-
60 .....	22	8	1	1	( <sup>1</sup> )	2	2	-	2	-	1	13	-
65 .....	( <sup>1</sup> )	-	-	-	-	-	-	-	-	-	-	( <sup>1</sup> )	-
66 .....	( <sup>1</sup> )	( <sup>1</sup> )	-	-	-	-	-	-	-	-	-	( <sup>1</sup> )	-
67 .....	24	22	1	2	( <sup>1</sup> )	16	1	1	1	-	( <sup>1</sup> )	2	-
70 .....	2	2	-	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	-	-	1	( <sup>1</sup> )	-	-
75 .....	( <sup>1</sup> )	( <sup>1</sup> )	-	-	-	-	( <sup>1</sup> )	-	-	-	( <sup>1</sup> )	-	( <sup>1</sup> )
80 .....	( <sup>1</sup> )	( <sup>1</sup> )	-	-	-	-	-	-	-	-	( <sup>1</sup> )	-	-
Other percent .....	1	( <sup>1</sup> )	-	-	( <sup>1</sup> )	-	-	-	-	-	-	( <sup>1</sup> )	-
Percent of earnings varies .....	4	2	1	-	-	1	-	-	-	-	1	1	1

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

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

**Table 28. Sickness and accident insurance: Percent of full-time participants by length-of-service requirement for participation,<sup>1</sup> small private establishments, 1992**

Length-of-service requirement	All participants	Professional, technical, and related participants	Clerical and sales participants	Blue-collar and service participants
Total .....	100	100	100	100
With service requirement .....	81	74	82	82
1 month .....	45	41	49	43
2 months .....	5	5	3	5
3 months .....	12	12	11	13
4-5 months .....	11	9	11	12
6 months .....	3	3	3	3
7-11 months .....	( <sup>1</sup> )	-	-	( <sup>1</sup> )
1 year .....	4	2	5	5
Over 1 year .....	( <sup>1</sup> )	2	( <sup>1</sup> )	( <sup>1</sup> )
Without service requirement .....	15	19	13	14
Service requirement not determinable .....	5	7	4	4

<sup>1</sup> Length of time employees must be on the job before they are covered by a plan that is at least partially employer financed. There is frequently an administrative time lag between completion of the requirement and the actual start of participation. If the lag was 1 month or more, it was included in the service requirement. Minimum age requirements are rare.

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

**Table 29. Long-term disability insurance: Percent of full-time participants by method of determining payment, small private establishments, 1992**

Method	Total	With maximum coverage	Type of maximum provision			Without maximum coverage
			Plan maximum only <sup>1</sup>	Disability income maximum only <sup>2</sup>	Plan and disability income maximum	
<b>All participants</b>						
All methods .....	100	89	51	3	36	11
Fixed percent of earnings .....	92	86	48	3	35	6
Less than 50 percent .....	( <sup>0</sup> )	( <sup>0</sup> )	( <sup>0</sup> )	( <sup>0</sup> )	( <sup>0</sup> )	-
50 percent .....	6	5	2	1	3	1
55 percent .....	1	1	-	-	1	( <sup>0</sup> )
60 percent .....	61	57	35	1	21	4
65 or 67 percent .....	18	18	9	( <sup>0</sup> )	8	( <sup>0</sup> )
70 percent .....	4	3	1	1	1	1
Other percent .....	1	1	( <sup>0</sup> )	-	( <sup>0</sup> )	-
Percent varies by earnings .....	7	3	3	-	( <sup>0</sup> )	4
Percent varies by service .....	( <sup>0</sup> )	( <sup>0</sup> )	( <sup>0</sup> )	( <sup>0</sup> )	-	( <sup>0</sup> )
Percent varies during disability .....	( <sup>0</sup> )	-	-	-	-	( <sup>0</sup> )
Scheduled dollar amount varies by earnings .....	1	-	-	-	-	1
Other <sup>3</sup> .....	1	-	-	-	-	1
<b>Professional, technical, and related</b>						
All methods .....	100	95	61	3	31	5
Fixed percent of earnings .....	96	92	58	3	31	4
Less than 50 percent .....	( <sup>0</sup> )	( <sup>0</sup> )	( <sup>0</sup> )	( <sup>0</sup> )	-	-
50 percent .....	5	4	1	-	3	1
55 percent .....	( <sup>0</sup> )	( <sup>0</sup> )	-	-	( <sup>0</sup> )	( <sup>0</sup> )
60 percent .....	64	63	43	1	19	1
65 or 67 percent .....	20	19	11	( <sup>0</sup> )	8	( <sup>0</sup> )
70 percent .....	6	4	2	2	( <sup>0</sup> )	2
Other percent .....	1	1	1	-	( <sup>0</sup> )	-
Percent varies by earnings .....	3	3	3	-	( <sup>0</sup> )	( <sup>0</sup> )
Percent varies by service .....	( <sup>0</sup> )	( <sup>0</sup> )	( <sup>0</sup> )	-	-	( <sup>0</sup> )
Percent varies during disability .....	( <sup>0</sup> )	-	-	-	-	( <sup>0</sup> )
Scheduled dollar amount varies by earnings .....	( <sup>0</sup> )	-	-	-	-	( <sup>0</sup> )

See footnotes at end of table.

**Table 29. Long-term disability insurance: Percent of full-time participants by method of determining payment, small private establishments, 1992—Continued**

Method	Total	With maximum coverage	Type of maximum provision			Without maximum coverage
			Plan maximum only <sup>1</sup>	Disability income maximum only <sup>2</sup>	Plan and disability income maximum	
<b>Clerical and sales</b>						
All methods .....	100	94	53	3	38	6
Fixed percent of earnings .....	96	91	51	3	37	4
Less than 50 percent .....	( <sup>3</sup> )	( <sup>3</sup> )	( <sup>3</sup> )	( <sup>3</sup> )	-	-
50 percent .....	7	6	2	1	2	1
55 percent .....	3	3	-	-	3	-
60 percent .....	61	59	38	1	20	2
65 or 67 percent .....	20	19	10	-	10	( <sup>3</sup> )
70 percent .....	4	3	1	-	3	1
Other percent .....	1	1	1	-	( <sup>3</sup> )	-
Percent varies by earnings .....	3	2	2	-	( <sup>3</sup> )	( <sup>3</sup> )
Percent varies by service .....	( <sup>3</sup> )	( <sup>3</sup> )	( <sup>3</sup> )	( <sup>3</sup> )	-	( <sup>3</sup> )
Percent varies during disability .....	( <sup>3</sup> )	-	-	-	-	( <sup>3</sup> )
Scheduled dollar amount varies by earnings .....	1	-	-	-	-	1
<b>Blue-collar and service</b>						
All methods .....	100	70	31	2	38	30
Fixed percent of earnings .....	78	66	27	2	38	12
Less than 50 percent .....	1	1	-	-	1	-
50 percent .....	6	6	2	1	3	( <sup>3</sup> )
55 percent .....	( <sup>3</sup> )	( <sup>3</sup> )	-	-	( <sup>3</sup> )	( <sup>3</sup> )
60 percent .....	57	45	17	1	28	12
65 or 67 percent .....	11	11	6	-	5	( <sup>3</sup> )
70 percent .....	2	2	2	-	1	-
Other percent .....	( <sup>3</sup> )	( <sup>3</sup> )	-	-	( <sup>3</sup> )	-
Percent varies by earnings .....	19	4	4	-	( <sup>3</sup> )	15
Scheduled dollar amount varies by earnings .....	( <sup>3</sup> )	-	-	-	-	( <sup>3</sup> )
Other <sup>4</sup> .....	2	-	-	-	-	2

<sup>1</sup> Includes flat dollar maximums and dollar maximums that vary by years of service.

<sup>2</sup> Includes ceilings on income during disability that limit the total amount payable from the long-term disability insurance plus other income, such as dependent Social Security.

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

<sup>4</sup> Includes flat dollar amounts and scheduled percent of earnings varying by length of disability.

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

**Table 30. Long-term disability insurance: Percent of full-time participants with benefits based on percent of earnings formula by maximum monthly benefit, small private establishments, 1992**

Type of payment	Total	Total with maximum <sup>1</sup>	Maximum monthly benefit										Data not available
			\$1500 or less	\$1501-\$2000	\$2001-\$2500	\$2501-\$3000	\$3001-\$3500	\$3501-\$4000	\$4001-\$5000	\$5001-\$7500	\$7501-\$10,000	\$10,001 or more	
<b>All participants</b>													
Total .....	100	81	3	3	2	17	1	3	20	15	13	4	19
Fixed percent of earnings .....	93	78	3	3	2	17	1	3	19	15	13	4	15
Less than 50 percent .....	1	( <sup>1</sup> )	( <sup>1</sup> )	-	-	-	-	-	( <sup>1</sup> )	( <sup>1</sup> )	-	-	( <sup>1</sup> )
50 percent .....	6	4	1	1	( <sup>1</sup> )	-	( <sup>1</sup> )	-	1	1	( <sup>1</sup> )	( <sup>1</sup> )	2
55 percent .....	2	( <sup>1</sup> )	-	-	-	-	-	-	-	( <sup>1</sup> )	( <sup>1</sup> )	-	1
60 percent .....	62	54	2	2	1	14	1	2	13	8	9	2	8
65 or 67 percent .....	18	17	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	2	( <sup>1</sup> )	2	5	4	2	1	1
70 percent .....	4	2	-	-	( <sup>1</sup> )	1	-	-	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	2
Other percent .....	1	1	-	-	( <sup>1</sup> )	-	-	-	-	-	1	-	-
Percent varies by earnings .....	7	3	( <sup>1</sup> )	( <sup>1</sup> )	-	( <sup>1</sup> )	-	-	2	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	4
Percent varies by service .....	( <sup>1</sup> )	( <sup>1</sup> )	-	-	-	-	-	-	-	( <sup>1</sup> )	-	-	( <sup>1</sup> )
Percent varies during disability ..	( <sup>1</sup> )	-	-	-	-	-	-	-	-	-	-	-	( <sup>1</sup> )
<b>Professional, technical, and related</b>													
Total .....	100	89	3	3	2	21	1	3	21	15	16	4	11
Fixed percent of earnings .....	97	86	2	3	2	21	1	3	20	15	15	4	11
Less than 50 percent .....	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	-	-	-	-	-	( <sup>1</sup> )	-	-	-	( <sup>1</sup> )
50 percent .....	5	4	( <sup>1</sup> )	( <sup>1</sup> )	-	-	( <sup>1</sup> )	-	( <sup>1</sup> )	2	( <sup>1</sup> )	( <sup>1</sup> )	1
55 percent .....	( <sup>1</sup> )	( <sup>1</sup> )	-	-	-	-	-	-	-	( <sup>1</sup> )	-	-	( <sup>1</sup> )
60 percent .....	64	59	1	2	1	20	( <sup>1</sup> )	1	13	9	8	3	5
65 or 67 percent .....	20	19	1	( <sup>1</sup> )	( <sup>1</sup> )	1	( <sup>1</sup> )	1	6	3	6	1	( <sup>1</sup> )
70 percent .....	6	2	-	-	1	-	-	-	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	4
Other percent .....	1	1	-	-	( <sup>1</sup> )	-	-	-	-	-	1	-	-
Percent varies by earnings .....	3	3	1	-	-	( <sup>1</sup> )	-	-	1	( <sup>1</sup> )	1	( <sup>1</sup> )	( <sup>1</sup> )
Percent varies by service .....	( <sup>1</sup> )	( <sup>1</sup> )	-	-	-	-	-	-	-	( <sup>1</sup> )	-	-	( <sup>1</sup> )
Percent varies during disability ..	( <sup>1</sup> )	-	-	-	-	-	-	-	-	-	-	-	( <sup>1</sup> )

See footnotes at end of table.

**Table 30. Long-term disability insurance: Percent of full-time participants with benefits based on percent of earnings formula by maximum monthly benefit, small private establishments, 1992—Continued**

Type of payment	Total	Total with maximum <sup>1</sup>	Maximum monthly benefit										Data not available
			\$1500 or less	\$1501-\$2000	\$2001-\$2500	\$2501-\$3000	\$3001-\$3500	\$3501-\$4000	\$4001-\$5000	\$5001-\$7500	\$7501-\$10,000	\$10,001 or more	
<b>Clerical and sales</b>													
Total .....	100	84	2	2	2	21	1	3	20	16	14	3	16
Fixed percent of earnings .....	97	82	2	2	2	21	1	3	19	16	14	3	15
Less than 50 percent .....	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )
50 percent .....	7	4	1	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	1	1	( <sup>2</sup> )	( <sup>2</sup> )	3
55 percent .....	3	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	3
60 percent .....	62	55	1	1	1	15	1	1	15	6	12	2	7
65 or 67 percent .....	20	18	( <sup>2</sup> )	1	( <sup>2</sup> )	4	( <sup>2</sup> )	2	2	8	1	1	2
70 percent .....	4	3	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	2	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	1
Other percent .....	1	1	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	1	( <sup>2</sup> )	( <sup>2</sup> )
Percent varies by earnings .....	3	2	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	1	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )
Percent varies by service .....	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )
Percent varies during disability .....	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )
<b>Blue-collar and service</b>													
Total .....	100	65	6	5	1	4	1	5	19	12	8	4	35
Fixed percent of earnings .....	80	61	5	4	1	4	1	5	17	12	8	4	19
Less than 50 percent .....	1	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	1
50 percent .....	6	4	1	1	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	1	2
55 percent .....	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )
60 percent .....	59	44	4	3	1	4	( <sup>2</sup> )	3	9	11	7	1	15
65 or 67 percent .....	11	11	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	1	2	7	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )
70 percent .....	2	2	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	1	1
Other percent .....	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )
Percent varies by earnings .....	20	4	1	1	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	2	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	16

<sup>1</sup> Maximum payment from plan before offsets are deducted. Excludes disability income maximum provisions, which do not restrict LTD payments unless the level of income guaranteed by the plan plus other nonoffsetting income exceeds a specified percentage of predisability earnings or flat dollar amount.

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

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

**Table 31. Long-term disability insurance: Percent of full-time participants by benefit waiting period,<sup>1</sup> small private establishments, 1992**

Length of waiting period	All participants	Professional, technical, and related participants	Clerical and sales participants	Blue-collar and service participants
Total .....	100	100	100	100
Less than 3 months .....	8	6	5	16
3 months .....	34	41	29	33
4-5 months .....	4	3	4	6
6 months .....	42	39	48	33
1 year or more .....	2	4	1	1
Varies by service <sup>2</sup> .....	3	1	4	2
Other .....	( <sup>3</sup> )	( <sup>3</sup> )	( <sup>3</sup> )	( <sup>3</sup> )
Not determinable .....	7	5	8	9

<sup>1</sup> Length of time between onset of disability and beginning of LTD payments.

<sup>2</sup> Benefits commence after expiration of paid sick leave and/or sickness and accident insurance benefits.

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

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



**Table 32. Long-term disability insurance: Percent of full-time participants by duration of benefits, small private establishments, 1992**

Duration	All participants	Professional, technical, and related participants	Clerical and sales participants	Blue-collar and service participants
Total .....	100	100	100	100
For life .....	1	2	( <sup>1</sup> )	-
To retirement age .....	12	13	13	8
Varies by age when disability occurs <sup>2</sup> .....	71	71	72	71
One-time reduction .....	12	14	16	2
Gradual reduction .....	59	57	56	69
Varies by type of disability <sup>3</sup> .....	( <sup>1</sup> )	( <sup>1</sup> )	1	-
Other <sup>4</sup> .....	1	1	1	2
Provision not determinable .....	15	13	14	19

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

<sup>2</sup> The duration of benefits may be reduced gradually according to an age schedule or reduced once at a specified age.

<sup>3</sup> Benefits for disabilities caused by accidents were usually paid for life; duration for illnesses was limited.

<sup>4</sup> Includes durations that vary by length of service.

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

**Table 33. Long-term disability insurance: Percent of full-time participants by length-of-service requirement for participation,<sup>1</sup> small private establishments, 1992**

Length-of-service requirement	All participants	Professional, technical, and related participants	Clerical and sales participants	Blue-collar and service participants
Total .....	100	100	100	100
With service requirement .....	49	47	50	49
1 month .....	19	20	21	17
2 months .....	1	1	2	( <sup>2</sup> )
3 months .....	12	15	11	9
6 months .....	7	4	8	9
1 year .....	5	5	4	7
Over 1 year and under 2 years ...	( <sup>2</sup> )	1	-	-
2 years .....	2	( <sup>2</sup> )	2	5
3 years .....	1	1	( <sup>2</sup> )	( <sup>2</sup> )
Over 3 years .....	1	( <sup>2</sup> )	2	1
Without service requirement .....	27	26	26	31
Service requirement not determinable .....	24	27	24	20

<sup>1</sup> Length of time employees must be on the job before they are covered by a plan that is at least partially employer financed. There is frequently an administrative time lag between completion of the requirement and the actual start of participation. If the lag was 1 month or more, it was included in the service requirement.

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

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

# Chapter 4. Medical, Dental, and Vision Care

## Medical Care

Medical care benefits were provided to 71 percent of full-time employees in small private establishments in 1992. Among the three occupational groups, professional, technical, and related employees, were the most likely to participate in medical plans (83 percent), while blue-collar and service employees were the least likely (61 percent).

Of those workers with medical care insurance:

- Just under one-half were required to pay a plan premium for individual coverage; approximately seven-tenths paid part of the cost for family coverage;
- One-third were covered by non-traditional medical care plans, that is, health maintenance organizations (HMO's) or preferred provider organizations (PPO's);
- Virtually all participants in traditional fee-for-service plans were subject to an annual deductible; the average annual deductible was \$220;
- Nearly nine-tenths of participants in fee-for-service plans had an annual limit on individual out-of-pocket expenses; the average limit was \$1,108;
- Mental health coverage, and alcohol and drug abuse treatment, though available to nearly all participants, had more restrictive provisions than other ailments;
- Seven-tenths of workers covered by non-HMO plans were required to get preadmission certification before entering the hospital.

### Coverage of selected categories of medical care

All of the participants in medical care plans had coverage for hospital room and board, physicians' visits in the hospital, surgery, and x-ray and laboratory services. With few exceptions, coverage was provided for physicians' office visits, mental health conditions, and out-of-hospital prescription drugs (table 34). Virtually all participants were covered by inpatient alcohol and drug detoxification benefits. Coverage was somewhat less extensive for inpatient and outpatient substance abuse rehabilitation benefits.

Among benefits less frequently provided were hearing care (18 percent of participants), routine physical exams (28 percent), well-baby care (37 percent), and immunizations and inoculations (26 percent).

### Funding arrangements

In 1992, two-thirds of full-time medical plan participants in small private establishments were covered by a fee-for-ser-

vice medical plan (table 35). These plans pay for specific medical procedures as expenses are incurred. There are generally three arrangements for financing plan benefits: Self-insured plans, commercially insured plans, and Blue Cross/Blue Shield plans. Self-insured plans (where the plan sponsor—typically the employer—bore the financial risk for making plan payments) covered two-fifths of fee-for-service participants. Commercially insured plans covered just over one-third of the fee-for-service participants, while Blue Cross/Blue Shield plans covered slightly more than one-fifth of the participants. In addition, a small proportion of fee-for-service participants had their benefits financed by more than one source.

Preferred provider organizations (PPO's) covered 18 percent of medical care participants in small private establishments in 1992. PPO's offer a higher benefit for services rendered by designated health care providers (such as hospitals and physicians), although participants are free to choose any provider. Designated providers agree in advance to a given fee schedule.

Fourteen percent of medical care participants covered by the survey were enrolled in health maintenance organizations (HMO's). HMO's provide a prescribed set of benefits to enrollees for a fixed payment. The HMO thus bears the risk associated with delivering care.<sup>12</sup> HMO's are classified in this survey as either group/staff, with services provided in central facilities, or as individual practice associations (IPA's), with providers working from their own offices. The following tabulation shows the percent of HMO participants by type of plan in 1992:

<i>Plan type</i>	<i>Percent of participants</i>
Group/staff .....	37
Individual Practice Association .....	54
Combination .....	9

### Payment arrangements

Medical plan provisions were examined to determine the extent of coverage for each type of medical service. In this survey, each category of medical care is classified under one of four payment arrangements: Full coverage, coverage with internal (separate) limitations only, coverage with overall limitations only, or coverage with internal and overall limitations (table 34).

<sup>12</sup> For a more detailed discussion on HMO's, see Thomas P. Burke and Rita S. Jain, "Trends in Employer-provided Health Care Benefits," *Monthly Labor Review*, February 1991, pp. 24-30.

Full coverage for HMO's indicates no restrictions on the number of days of care, no dollar maximums on benefits, and no required payments by the covered individual. In a fee-for-service plan, when a benefit is covered in full, all expenses up to the usual, reasonable, and customary charges, or the prevailing hospital semiprivate rate, are borne by the plan.

Internal or separate limitations restrict the level of coverage for a particular type of medical service, independent of other plan provisions. An example of a separate limit is a maximum of 45 days of hospitalization per year for mental health care.

Overall limitations are deductibles, coinsurance requirements, maximum benefit levels, or other provisions that apply to many, if not all, types of medical care provided under the plan. Examples of overall limits include a requirement that the employee pay the first \$100 of expenses in a year, regardless of the source of the expense, before the plan will begin payments (deductible); a requirement that the employee pay 20 percent of covered expenses beyond the deductible (coinsurance); a \$1,000 limit on the amount the employee must pay, after which the plan pays 100 percent of covered expenses (maximum out-of-pocket expense); and a lifetime ceiling on plan payments of \$1 million (maximum).

HMO's generally do not impose any overall limits on the benefits they provide. Traditional fee-for-service plans, on the other hand, almost always impose overall limitations on their benefits. (PPO's also impose overall limits, but may alter or reduce those limits if services are received from designated providers.)

The most common type of payment arrangement in fee-for-service plans is coverage subject to overall limitations only. Under such an arrangement, the employee must satisfy the deductible and meet the coinsurance requirement before any benefits are paid. Nearly three-fifths of all participants in plans with hospital room and board benefits had coverage subject to overall limitations only. Services for which at least three-fifths of plan participants had coverage subject to overall limits only were physicians' office visits, in-hospital physician services, diagnostic x-rays and laboratory services, outpatient prescription drugs, inpatient surgery, and outpatient surgery.

Separate and overall limitations may apply to the same category of care. For example, a plan may impose a separate limit of 365 days per confinement on fully paid hospital room and board coverage, with protection beyond that point subject to overall plan coinsurance rates and maximum dollar limitations.

### **Overall limitations**

Plans with overall limitations nearly always require a participant to meet a specified deductible before eligibility for benefit payments. This approach is designed to discourage unnecessary use of medical services. In 1992, 88 percent of full-time participants were in plans with overall limits (tables 36-40). Ninety percent of the participants in plans with overall limitations had coverage subject to an annual flat-dollar deductible. Of the participants with overall limitations, however, 13 percent were in plans where the deductible did not

apply to hospital room and board expenses.

The most prevalent individual annual deductible was \$100, applying to three-tenths of the participants subject to overall limits. Deductibles of \$200 and \$250 were the next most commonly observed deductibles. The average annual deductible in 1992 was \$220 for all workers. The amount of the average deductible showed some variation between occupational groups. It was highest (\$236) for professional, technical, and related participants and lowest (\$210) for blue-collar and service participants.

When a medical care plan covered an employee and family, a family deductible was often specified in addition to individual deductibles. After the family deductible is met, no additional individual deductibles apply during that year. Four out of 5 participants with overall limitations were in plans that specified limits on the number of persons in the family required to satisfy an annual deductible. Most commonly, family deductibles were equal to two or three times the individual deductibles.

Once the deductible has been met, the plan almost always pays a specified percentage of covered medical expenses, with the employee paying the remainder (coinsurance). The percentage of expenses paid by the plan varied greatly between traditional fee-for-service plans and PPO's. PPO's offer a higher benefit for services rendered by designated health care providers (such as hospitals and physicians), although participants retain the option of choosing any provider. Ninety percent of participants in traditional fee-for-service plans with overall limitations had their expenses paid at 80 percent. In contrast, PPO enrollees were most likely to have their expenses paid at 90 percent or more, including 14 percent of PPO participants with overall limitations who had their expenses paid at 100 percent. Workers who had their coverage paid at 100 percent, however, were generally subject to a yearly deductible and a lifetime plan maximum.

Fewer than 1 out of 10 participants were in plans where the coinsurance rate was different for hospital room and board expenses than for other expenses. In such cases, the percent of hospital expenses paid by the plan was generally higher, often 100 percent.

Nine-tenths of full-time participants in plans with overall limitations had their coinsurance increase to 100 percent after they paid out a specified dollar amount for covered expenses (maximum out-of-pocket expense). Slightly more than three-fifths of participants in plans with overall limits had an annual maximum individual out-of-pocket expense of \$1,000 or less. Maximum out-of-pocket ceilings were also specified for family expenses in plans covering just under three-fifths of participants with overall limitations. The annual maximum for out-of-pocket expenses for plan participants averaged \$1,108 for an individual and \$2,262 for a family.

Plans that both required an annual deductible and placed a maximum on out-of-pocket expenses covered 81 percent of the participants subject to overall limitations. The sum of these two items represents the total that the plan requires an individual to pay for covered medical expenses in a calendar year.

In 1992, the annual deductible plus the annual maximum out-of-pocket expense averaged \$1,317 per individual.<sup>13</sup>

Plans with overall limitations often place a ceiling on the amount payable by the plan, usually a lifetime maximum. In 1992, three-fourths of the participants in plans with overall limitations had a lifetime maximum apply to their benefits. A maximum of \$1 million applied to seven-tenths of these participants. Just under one-tenth of participants were in plans with a lifetime maximum of greater than \$1,000,000; the average of all maximums was \$1,027,411. There were small variations in the average lifetime maximums between occupational groups. Professional, technical, and related participants had the highest average lifetime maximum (\$1,063,431), while clerical and sales workers had the lowest (\$1,003,467). Plans that did not impose a maximum on plan payments covered one-fourth of the participants subject to overall limitations.

### Hospital coverage

All medical plan enrollees covered by the survey had benefit provisions for hospital room and board charges (tables 41-42). Fifty-nine percent of full-time participants were in plans where hospital room and board expenses were covered at a percentage of the semiprivate room rate, generally at 80 percent. In these types of plans, the individual was typically subject to a yearly deductible before the percentage rate would go into effect. Fifteen percent of participants had hospital room and board expenses covered at the full semiprivate room rate for a limited period, followed by a percentage of the semiprivate room rate, almost always 80 percent.

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

Significant differences in hospital room and board coverage were evident by type of medical care provider. While just under seven-tenths of HMO participants had hospital room and board covered in full without any limitations, full coverage was virtually non-existent for hospitalization in non-HMO's.

Increasingly, medical care participants are being required to pay a separate copayment for hospital care, to discourage unnecessary hospitalization. Fourteen percent of participants with hospital room and board coverage were subject to a separate copayment. It was somewhat more likely for HMO participants to be subject to a hospital copayment (18 percent) than for non-HMO participants (13 percent).

When copayments were required for hospitalization, it was most likely on a per admission basis. For non-HMO participants, these copayments usually ranged up to \$200; HMO participants were usually required to pay copayments between \$200-\$300.

<sup>13</sup> This average is slightly different from the sum of the individual averages because some participants have only an annual deductible or only an annual maximum out-of-pocket expense limitation. The combined average includes only those participants with both provisions.

### Alternatives to hospitalization

To help hold down the costs of medical care, a number of plans provide coverage for less expensive alternatives to a hospital stay. These alternatives include extended care facilities, home health care, and hospices (table 34). Coverage patterns typically differed between HMO and non-HMO participants.

Coverage for stays in an extended care facility was available to just over four-fifths of full-time participants. Extended care facilities provide skilled nursing care, rehabilitation, and convalescent services to patients requiring less intensive treatment than would otherwise be provided in a hospital. Seven-eighths of HMO participants had coverage for stays in an extended care facility; one-fifth were in plans that provided unlimited coverage. In comparison, although 8 of 10 non-HMO participants were in plans that provided coverage for extended care benefits, very few had full coverage.

Home health care, providing skilled nursing and related care to patients in their own homes, was available to 80 percent of participants. Home health care benefits were provided to virtually all HMO participants (99 percent); these benefits were provided less extensively to non-HMO participants (77 percent). The higher incidence of coverage for home health care benefits in HMO's occurs because federally qualified HMO's are required to provide this benefit. The vast majority of HMO participants in the survey belong to federally qualified plans. When home health care benefits were provided in HMO's, coverage was typically unlimited. Unlimited coverage was quite rare in non-HMO's.

Plans, especially non-HMO's, often limited the duration of stays in an extended care facility and the number of visits for home health care services. Coverage in an extended care facility is commonly limited to 60 days per confinement, while home health care services are frequently restricted to 100 visits per year.

Coverage for hospice care, another alternative to hospitalization, was provided to 57 percent of full-time participants. A hospice offers nursing care and psychological support to terminally ill patients, usually defined as having 6 months or less to live. Plans often placed ceilings on maximum dollar amounts payable during a hospice stay.<sup>14</sup>

### Surgical coverage

Virtually all participants had medical plans that based payments for in-hospital surgery on the "usual, customary, and reasonable" (UCR) charges for the particular procedure performed.<sup>15</sup> As was true with hospitalization, in-hospital surgical benefits were most likely to be covered at a specified percentage rate, usually after any required overall plan deductible. Fifty-two percent of participants were covered at 80 percent of the UCR charges (tables 43-44). Twenty-four percent of participants were covered for the full UCR charges.

<sup>14</sup> For a more detailed discussion on alternatives to hospitalization, see Thomas P. Burke, "Alternatives to Hospital Care under Employee Benefit Plans," *Monthly Labor Review*, December 1991, pp. 9-15.

<sup>15</sup> The "usual, customary, and reasonable" charge is defined as being not more than the physician's usual charge; within the customary range of fees charged in the locality; and reasonable, based on the medical circumstances.

In-hospital surgery was covered according to a schedule establishing a maximum amount payable for each procedure for 4 percent of full-time enrollees. Charges exceeding the scheduled maximums, however, were generally covered, subject to the plan's overall deductible and coinsurance.

Four-fifths of participants were in plans where outpatient surgery was covered in an identical manner to in-hospital surgery, whether in full, a percent of UCR charges, or subject to a schedule of maximum payments. For HMO enrollees, both inpatient and outpatient surgery were almost always covered in full.

With the steady rise in costs of medical care, health care insurers are encouraging enrollees to substitute less expensive outpatient services, such as outpatient surgery, for inpatient hospital services. Non-HMO health care providers have increasingly begun to provide higher reimbursement rates for outpatient surgery to encourage its use over inpatient surgery.<sup>16</sup> Twenty-three percent of participants in non-HMO's had coverage for outpatient surgery treated differently (generally with a higher reimbursement) than for inpatient surgery.

Two-thirds of medical care participants with coverage for inpatient surgery had to satisfy either a separate deductible or were subject to the overall plan deductible prior to receiving benefits. When outpatient surgery was provided in those plans, just under one-fifth of participants were not required to pay any deductible before receiving benefits. Generally, when deductibles are not applicable for in-hospital surgery, neither are they applicable for outpatient procedures.

### **Cost containment**

In addition to data on the extent of coverage for specific medical services, the survey looked at the availability of medical plans with either benefit management programs, managed care plans, or review boards. The goal of these programs is to make sure that the services rendered are medically necessary and provided in the most appropriate health setting. These programs were developed to some extent in response to the rapid rise in medical care costs during the 1980's.

Eighty-nine percent of medical care participants had some "managed care" provision available to them (table 45). This includes all participants in HMO's and PPO's, where care is managed by directing patients to specific providers or services. In addition, 84 percent of fee-for-service participants were in plans that had at least one managed care feature, such as hospital pre-admission certification, pre-admission testing, and second surgical opinion.

Some advanced managed care programs can consist of four or more features such as: Pre-admission review of all hospital admissions for non-emergency or non-maternity care, concurrent review to monitor care while hospitalized, discharge planning to coordinate a continued course of treatment in more appropriate health care settings, and mandatory second surgical opinions for certain selected procedures.

<sup>16</sup> For more information on incentives for outpatient surgery, see Robert B. Grant, "Outpatient Surgery: Helping to Contain Health Care Costs," *Monthly Labor Review*, November 1992, pp. 33-36.

Among the plan features studied in 1992 was the finding that 71 percent of the non-HMO participants were required to get authorization before being admitted to a hospital (table 46). When precertification was required prior to hospitalization, a deductible per hospital admission or a reduction in the coinsurance paid by the plan were the most prevalent penalties for non-compliance. It was most common for the deductibles to range between \$200-\$500. When the coinsurance rate paid by the plan was reduced for participants who did not seek approval before being hospitalized, it was most likely to 50 percent of charges.

Less prevalent cost containment features in non-HMO plans included incentives for the employee to audit hospital bills (8 percent) and more restrictive benefits for nonemergency weekend admissions (15 percent). In plans where there were penalties imposed for nonemergency weekend admissions, it was nearly universal for no benefits to be provided.

Thirty-seven percent of participants had their care subject to utilization review. Utilization review is the process of reviewing the appropriateness and quality of care provided to patients. Benefit provisions for prehospitalization testing, a means of decreasing the length of hospitalization, covered 53 percent of the non-HMO participants. Most plans covered 100 percent of charges for preadmission testing.

In non-HMO plans, second surgical opinion provisions were applicable to just over seven-tenths of participants with inpatient surgical benefits (table 47). The majority of these plan enrollees were assessed penalties for not obtaining second opinions, generally applying only to selected procedures. The most common penalty was to reduce the coinsurance rate if a second opinion was not sought.

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

### **Preferred provider organizations**

The previous section concentrated on managed care features within traditional fee-for-service plans. This section will discuss PPO's, that is, where care is managed by directing patients to specific providers or services.

PPO's include incentives for receiving medical services and supplies from designated providers, with certain medical services more likely to be subject to these incentives than others. For example, virtually all PPO participants had hospital room and board coverage treated more generously if care was received at specified hospitals (table 48). In contrast, surgery, physicians services and outpatient prescription drugs were less likely to be subject to an incentive for using preferred providers.

When a PPO option was available, it was nearly universal for the plan to pay a higher percentage of expenses if the participant received care from the designated providers. In such plans, it was most prevalent for the plan to pay 90 percent of covered charges if the individual used the PPO provider and

80 percent if the individual chose a non-PPO provider. Another common arrangement was for plans to pay 100 percent of covered expenses if the participants stayed within the PPO network and 80 percent if they went outside of the network.

About 1 in 3 workers covered by a PPO had an annual deductible based on who provided care.<sup>17</sup> Enrollees in PPO's may be subject to a yearly deductible of \$100; however, if they go outside of the network, the deductible might be \$200. There are also some plans where participants in PPO's are not subject to a deductible for network services, but are required to pay one if they do not go to the designated providers.

Finally, 38 percent of the PPO participants were in plans subject to a modest copayment for physicians' office visits, for example, \$10 per visit. For these same workers, visits to non-preferred doctors were usually covered under overall limits, requiring satisfaction of an annual deductible and a 20-percent coinsurance paid by the enrollee.

### Prescription drug benefits

Virtually all participants had medical plans that provided coverage for outpatient prescription drugs (table 34). Inpatient prescription drugs are always covered under hospital miscellaneous services, generally in the same fashion as room and board charges. Outpatient prescription drugs, when provided are covered under a separate provision of the medical plan or a separate outpatient prescription drug plan.

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

It is more likely for non-HMO participants to have prescription drug coverage than HMO participants, and rare for both HMO and non-HMO participants to have prescription drugs covered in full. Sixteen percent of HMO participants were not covered for prescription drug benefits, compared with 3 percent of non-HMO participants.

A prescription can often be filled using either a brand name drug or a generic drug; generic drugs are often less expensive than their brand name counterparts. Eighteen percent of the participants with prescription drug coverage received a higher reimbursement for obtaining generic rather than brand name prescription drugs.

Mail order drug programs were available to 10 percent of employees with prescription drug coverage. These programs provided drugs for maintenance purposes, that is, drugs required on a continuous basis. In such arrangements, participants often receive a higher reimbursement or are charged less for mail order drugs than for drugs purchased directly from a pharmacy.<sup>18</sup>

<sup>17</sup> This figure differs from that published in the January 27, 1994 news release, USDL 94-42.

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

### Mental health coverage

Mental health coverage, though available to nearly all participants, was frequently subject to more restrictive limitations than other illnesses (table 49). Of the medical care participants with mental health benefits, 83 percent had more restrictive hospital coverage for mental illness than for other ailments. Plans commonly limited the duration of hospital stays to 30 or 60 days per year for mental health care, compared to 120, 365, or unlimited days for other illnesses.<sup>19</sup> They also frequently imposed a separate, lower, dollar maximum on all mental health expenses, such as a lifetime maximum of \$50,000.

Even more restrictive was coverage for mental health care outside the hospital (psychiatric office visits). Virtually all participants with mental health care coverage were subject to special limits for outpatient care in 1992. Outpatient mental health care was commonly covered for fewer visits per year than other outpatient services, subject to special maximum dollar limits on annual payments, and covered at a coinsurance rate of 50 percent rather than the usual 80 percent paid by the plan for other illnesses. Also, outpatient mental health care expenses often could not be used to meet the employee's maximum out-of-pocket expense limitation. Therefore, reimbursement for these expenses did not increase to 100 percent even when the out-of-pocket expense limitation was met.<sup>20</sup>

### Alcohol and drug abuse treatment

Alcohol and drug abuse treatment benefits covered nearly all full-time medical participants (tables 50-52). Nine out of 10 participants with alcohol abuse treatment benefits had their coverage treated the same as those for drug abuse treatment. Benefits provided under substance abuse care included both detoxification and rehabilitation. Detoxification involves supervised care by medical personnel designed to reduce or eliminate the symptoms of chemical dependency. Rehabilitation is designed to provide a variety of services intended to alter the behavior of substance abusers. Such services are generally provided once detoxification has been completed.

Virtually all participants covered by alcohol abuse treatment benefits were eligible for inpatient (in-hospital) detoxification, but only 73 percent received inpatient rehabilitation coverage. (Detoxification is generally considered medically necessary, and thus it is included in nearly all medical plans. There is a greater tendency to exclude inpatient rehabilitation, because it requires less constant and less immediate care.) Outpatient alcohol abuse treatment, generally rehabilitative care, was available to 75 percent of participants with alcoholism coverage. Coverage patterns were similar for drug abuse treatment benefits.

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

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

As was true with mental health care, plans were more restrictive in covering substance abuse treatment than other illnesses.<sup>21</sup> Participants were four times more likely to have inpatient detoxification treated the same as any other inpatient confinement than to have inpatient rehabilitation covered the same as any other illness (36 percent and 9 percent, respectively). Eight percent of the participants with alcoholism treatment coverage had outpatient care treated the same as other conditions.

Specific limitations for substance abuse treatment most commonly included restrictions on the number of days of inpatient hospital care per year, the number of outpatient visits per year, reduced coinsurance levels for outpatient treatment, ceilings on out-of-pocket limits not applying to outpatient care, and maximum dollar amounts per year or per lifetime. A typical limitation on inpatient care was 30 days per year. Similarly, outpatient care might be restricted to 20 or 30 visits per year at a coinsurance rate of 50 percent. Dollar maximums were often combined between inpatient and outpatient care, with \$50,000 per lifetime a common limit.<sup>22</sup>

Finally, limitations on days and dollars were often combined for alcohol and drug abuse care. For example, plans often limit coverage to 30 days per year and to \$50,000 per lifetime for both alcohol and drug abuse treatment. Days and dollar limits for alcohol and drug abuse treatment may also apply to mental health care. For example, it is not uncommon for mental health care and alcohol and drug abuse treatment to be subject to the same lifetime dollar maximum.

### Health maintenance organizations

Health maintenance organizations provide a fixed set of medical benefits for a prepaid fee. The survey tabulated the details of three categories of medical care provided by HMO's—physicians' office visits, out-of-hospital prescription drugs, and extended care facilities. For physicians' office visits, 78 percent of HMO participants were required to pay a copayment, typically \$5 or \$10 per visit, before treatment was received. Virtually all of the remaining participants received coverage in full. In general, HMO's did not limit the number of physicians' visits.

Out-of-hospital prescription drug benefits were available to 84 percent of HMO participants. Most of these workers had to pay a copayment per prescription of \$5 or more.

Finally, extended care treatment facility benefits were provided to 87 percent of HMO participants. Most commonly, the number of days of coverage was limited; typical limits were 100 days per year.

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

<sup>22</sup> For more detailed discussion of employer-provided substance abuse coverage, see Marc E. Kronson, "Substance Abuse Coverage Provided by Employer Medical Plans," *Monthly Labor Review*, April 1991, pp. 3-10. In addition, see Substance Abuse Provisions in Employee Benefit Plans, Bulletin 2412 (Bureau of Labor Statistics, August 1992).

### Other medical benefits

The 1992 survey measured the incidence of several other services provided through medical care plans (table 53). For example, 28 percent of medical care participants were in plans that covered at least some of the costs for routine physical examinations, 37 percent had coverage for well-baby care, and 22 percent had incentives for child deliveries in lower cost birthing centers rather than in hospitals. HMO's nearly always included coverage for hearing care, physical examinations, well-baby care, and immunizations and inoculations. The main reason for such a high incidence of these services is that HMO's are required to include these benefits to qualify under the Health Maintenance Organization Act of 1973, as amended.<sup>23</sup>

### Employee contributions

Just under one-half of full-time participants were required to pay part of the cost for their individual medical coverage in 1992. Seven-tenths of participants shared in the cost for family coverage (tables 54-56). Blue-collar workers were more likely to have family coverage fully employer-financed than white-collar workers. One-third of blue-collar workers had family coverage paid in full by their employer, compared to one-fifth for white-collar workers. There was very little difference among occupational groups in the percentage of workers provided fully employer-financed individual medical coverage.

Data on the amount of an employee's contributions for medical benefits occasionally were not available because a single payroll deduction applied to both medical care and one or more other benefits. Where the amount was reported, employee premiums for individual and family coverage averaged \$37 and \$151 a month, respectively.

Employee medical care premiums for individual coverage showed considerable variation by type of plan. Sixty-two percent of full-time participants in HMO's were required to contribute for single coverage compared to 44 percent for non-HMO's. Differences were less pronounced for family coverage. Under HMO's, 77 percent of the participants were required to contribute towards family coverage, compared to 71 percent for non-HMO's. The average premiums for individual and family coverage were higher for participants in HMO's than for those in non-HMO's; in fact, average employee contributions for family coverage in HMO's were \$21 per month higher than in non-HMO's. Individual premiums were almost \$4 higher per month for HMO participants than for non-HMO participants.

Of employees required to contribute toward the cost of their medical care coverage in 1992, one-fifth could do so with pretax dollars. These employees had the advantage of reducing their taxable income while purchasing medical coverage. Pretax contributions may be required or optional, and also may be offered as part of a flexible benefits arrangement.

<sup>23</sup> Under this act, an HMO must provide certain coverage, such as home health care, physical examinations, and children's eye and ear examinations. Under certain circumstances, employers may be required to offer employees medical care coverage through federally qualified HMO's.

## Participation requirements

Medical care plans typically required that only a short eligibility period, if any, be served by new employees before coverage began. One-fourth of medical care plan participants were allowed to join a plan immediately upon being hired. For participants required to complete a minimum length of service, the required period was usually 3 months or less.

## Coverage for retired workers

Although the Consolidated Omnibus Budget Reconciliation Act of 1985 requires employers to offer continued health care benefits for employees who are retired, laid off, or otherwise separated from employment, workers may be charged all of the premium costs at group rates. In addition, the continuation period stipulated by the law is limited.<sup>24</sup> The survey of small private establishments focused on coverage for retired employees that was financed wholly or partly by the employer (table 57).

Of the medical care participants in the survey, 18 percent worked for employers who financed, at least in part, medical care protection after retirement. The vast majority of workers were in plans that provided postretirement coverage regardless of their age. It was quite common to impose an eligibility requirement for retiree coverage; this requirement was usually either a stated length of service or qualification for the company pension plan.

The level of medical care coverage for retirees under age 65 was generally the same as for active workers. Although benefit provisions were reduced for some retirees upon reaching age 65, more commonly there was no change in benefit levels apart from coordination with Medicare.

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

## Employee and plan payments

The preceding sections of this chapter have focused on various benefit provisions found in employer-provided health care plans. These data have been used by the Bureau of Labor Statistics to create a model of employee expenses for selected health care services.<sup>25</sup> The model incorporates benefit provisions and selected scenarios of health care expenses, designed to represent different levels of health care usage and different types of health care services. The results of the model are estimates of what the employee and the plan would pay over the course of a year for specified medical services.

There are several factors that affect what percentage of total medical care expenses are paid by the employee and the plan

<sup>24</sup> The act requires employers who maintain health insurance plans to continue coverage to terminated workers for up to 18 months. Workers may be charged up to 102 percent of the premium cost. Based on a 1989 change to this law, employees disabled at the time of termination can have benefits continued for up to 29 months, and can be charged up to 150 percent of the premium cost after 18 months.

<sup>25</sup> For more information regarding out-of-pocket expenses for medical services, see Allan P. Blosin, Robert B. Grant and William J. Wiatrowski, "Employee Payments for Health Care Services," *Monthly Labor Review*, November 1992, pp. 17-32.

during the course of the year. Two of the factors which will be discussed in this section are the amount of expenses and the type of health care provider.

*Amount of expenses.* In scenario 1, the employee had \$673 in total health care expenses (table 58). As described earlier in this chapter, the majority of medical care participants are in plans subject to overall limits only. In these types of plans, the employee must satisfy an annual deductible and meet the coinsurance requirement before any benefits are paid. In 1992, the annual deductible averaged \$220 and the individual usually had to meet a 20-percent coinsurance requirement.

With annual expenses of \$673 in scenario 1, the deductible and coinsurance requirements significantly affect what the employee and the plan pay for health care expenses. In this scenario, the employee and the plan share equally in the cost of total health care expenses.

In scenario 2, the employee incurred \$7,085 in total health care expenses. In this scenario, the plan paid 83 percent of total expenses. Because total charges in this scenario were much higher than in scenario 1, the deductible had much less of an effect on the employee's cost. In addition, many health care plans limit an employee's liability for catastrophic expenses which holds down out-of-pocket costs. Individuals with large expenses are more likely to reach the catastrophic expense limit (most frequently \$1,000) than individuals with lower expenses. After this limit is reached, plans typically pay 100 percent of covered charges.

*Type of health plan.* The percentage of the cost paid by the employee and the plan varied by type of health care plan. Table 58 shows that, in both scenarios, the employee paid a much lower percentage of total expenses in HMO's than in non-HMO's. In HMO's, it was rare for enrollees to be subject to an annual deductible or to be required to pay a portion of expenses (coinsurance requirement) for health care services. Doctor's office visits frequently required a copayment, most frequently \$5 or \$10 per visit. Most other services were generally covered in full. In contrast, non-HMO participants frequently had expenses covered subject to an annual deductible and a coinsurance requirement. Thus, participants in HMO's typically paid a lower percentage of total expenses than those in non-HMO's.

## Dental Care

Dental care benefits were available to 33 percent of full-time employees in small private establishments in 1992 (tables 59-64).<sup>26</sup> Among the three occupational groups, professional, technical, and related employees had the highest percentage of employees participating in dental plans (43 percent), and blue-collar and service employees had the lowest percentage of employees participating in dental plans (27 percent). Den-

<sup>26</sup> For tabulation purposes, plans that provided only preventive dental care benefits were not included as having full dental care coverage. Data for preventive dental care benefits are found in table 53.



tal care may be offered as a part of a comprehensive medical and dental plan, or as a separate plan in addition to medical coverage. Often, employers offer a series of medical plans from which employees may choose, as well as a separate dental plan that can accompany any medical plan. Of the participants in dental plans:

- The overwhelming majority were reimbursed by a percent of the usual, customary, and reasonable charge for all dental procedures;
- Two-fifths were required to contribute toward the cost of their individual coverage, and seven-tenths were required to contribute toward the cost of family coverage;
- Nearly two-thirds were in plans that specified a yearly deductible amount before any benefits were paid by the plan;
- Just over four-fifths were covered by plans that limited the amount of payment each year by specifying an annual maximum benefit.

Where dental benefits are included in a single plan with medical care benefits, it was not possible to distinguish which portion of the employee's contribution, if applicable, went toward dental coverage. Employee contribution data were examined in stand-alone dental plans, that is, those offered separately from medical plans. When such plans required an employee contribution, that contribution was typically under \$15 per month for individual coverage and under \$25 per month for family coverage.

Eighty-five percent of participants covered by dental care plans received benefits through a fee-for-service plan, which reimburses patients or providers only after services are received (table 35). Such plans were most commonly self-insured or obtained through a commercial insurer. The remaining participants had their dental benefits provided through either a health maintenance organization or a preferred provider organization.

Dental plans nearly always covered preventive and restorative services, and three-fifths of participants were in plans that also covered orthodontic expenses, at least for children. Preventive care typically includes dental examinations, prophylaxis (cleaning), and x rays. Restorative procedures include such basic services as fillings, periodontal care, and endodontic care, and such major services as inlays, crowns, and prosthetics.<sup>27</sup>

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

<sup>27</sup> Periodontal care is the treatment of tissues and bones supporting the teeth. Endodontics involves the treatment of the tooth pulp, such as root canal work. Prosthetics deals with the construction and fitting of bridges and dentures.

Less than 1 out of 10 dental plan participants were offered reimbursement based on a schedule of cash allowances for restorative services, such as fillings, crowns, and endodontics. In this type of arrangement, each procedure is subject to a specified maximum dollar amount that can be paid to the participant or dentist. Orthodontic care was rarely subject to this type of schedule.

Incentive schedules were rarely found in the survey. Under this arrangement, the percent of dental expenses paid by the plan increases each year if the participant is examined regularly by a dentist.

Finally, a small number of participants were in plans requiring a copayment, after which benefits were paid in full. Copayments were commonly \$5 or \$10 per procedure for preventive care, while higher copayments often applied to major dental services.

Sixty-five percent of dental participants were in plans that specified a deductible amount before any benefits were paid by the plan. The most frequently observed individual deductible was \$50 per year. Dental plans often placed a limit on the amount of deductibles for each family (usually three times the individual deductible). A few plans required the participant to pay a one-time deductible (usually \$50) rather than a deductible every year.

Plans that limited the amount of payment each year by specifying an annual maximum benefit covered 84 percent of dental plan participants. The most common limit was \$1,000 per year, and the average was \$1,105. Among participants in plans with orthodontic services, 85 percent had orthodontic benefits subject to a separate lifetime maximum. These orthodontic maximums which were usually either \$1,000 or \$1,500, averaged \$1,078.<sup>28</sup> Professional, technical, and related employees had the highest average lifetime orthodontic maximum (\$1,154) and blue-collar and service participants had the lowest average (\$995).

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

Finally, a small percentage of participants were covered by plans with only preventive dental care, which includes dental examinations, prophylaxis (cleaning), and x rays (table 53). These participants with only preventive dental care almost always had their benefits provided under HMO's.

## Vision Care

Vision care coverage was available to 10 percent of full-time employees in small private establishments in 1992 (table 65).<sup>29</sup> Sixty-six percent of participants covered by vision care provi-

<sup>28</sup> For more details on dental care benefits, see Rita S. Jain, "Employer-sponsored Dental Insurance Eases The Pain," *Monthly Labor Review*, October 1988, pp. 18-23.

<sup>29</sup> Eyewear (eyeglasses and/or contact lenses) must be included for there to be vision care coverage. If a plan provided only eye examinations, for tabulation purposes, the plan was not considered as providing vision care coverage.

sions received benefits through a fee-for-service plan (table 35).

All participants eligible for vision benefits had coverage for eyeglasses; with few exceptions vision care participants had coverage for eye examinations. Three out of 4 vision care participants had coverage for contact lenses.

Participants with vision care coverage generally had limits placed on their benefits. Typically, vision care participants had their coverage for eyeglasses and contact lenses subject to a scheduled dollar allowance per benefit. Other plans often required an employee copayment or offered a discount on the purchase of eyeglasses and contact lenses.

Eye examinations were commonly subject to either a dollar

maximum per visit, or the participant was required to pay a small copayment per visit.

Finally, 14 percent of the medical participants were covered for eye examinations only (table 53). This coverage was not part of a regular vision care plan. Such limited benefits covered 69 percent of all participants enrolled in an HMO.<sup>30</sup>

<sup>30</sup> For more details on vision care benefits, see Rita S. Jain, "Employer-sponsored Vision Care Brought Into Focus," *Monthly Labor Review*, September 1988, pp. 19-23.

**Table 34. Medical care benefits: Percent of full-time participants by coverage for selected categories of care, small private establishments, 1992**

Category of medical care	Total	Care provided					Care not provided
		All	Covered in full	Subject to internal limits only <sup>1</sup>	Subject to overall limits only <sup>2</sup>	Subject to internal and overall limits	
<b>All participants</b>							
Hospital room and board .....	100	100	12	3	57	27	-
Extended care facility <sup>3</sup> .....	100	84	5	17	13	49	16
Home health care <sup>3</sup> .....	100	80	12	12	16	40	20
Hospice .....	100	57	6	8	18	25	43
<b>Surgery</b>							
Inpatient .....	100	100	24	1	70	6	-
Outpatient <sup>4</sup> .....	100	100	29	1	64	7	-
<b>Physician visits</b>							
In hospital .....	100	100	19	( <sup>5</sup> )	68	12	-
Office .....	100	100	4	15	71	9	( <sup>5</sup> )
Diagnostic X-ray and laboratory .....	100	100	22	( <sup>5</sup> )	67	10	-
Prescription drugs—nonhospital .....	100	95	1	26	62	7	5
<b>Mental health care</b>							
In hospital .....	100	96	2	15	9	70	4
Outpatient .....	100	95	( <sup>5</sup> )	18	2	75	5
<b>Alcohol abuse treatment</b>							
Inpatient detoxification <sup>6</sup> .....	100	95	7	11	17	60	5
Inpatient rehabilitation <sup>7</sup> .....	100	70	1	10	6	52	30
Outpatient rehabilitation <sup>7</sup> .....	100	71	1	13	6	51	29
<b>Drug abuse treatment</b>							
Inpatient detoxification <sup>6</sup> .....	100	93	7	10	16	59	7
Inpatient rehabilitation <sup>7</sup> .....	100	67	1	10	5	51	33
Outpatient rehabilitation <sup>7</sup> .....	100	69	1	13	5	50	31
<b>Professional, technical, and related</b>							
Hospital room and board .....	100	100	13	2	59	26	-
Extended care facility <sup>3</sup> .....	100	87	4	18	16	49	13
Home health care <sup>3</sup> .....	100	83	12	13	16	42	17
Hospice .....	100	60	8	10	17	24	40
<b>Surgery</b>							
Inpatient .....	100	100	23	( <sup>5</sup> )	73	3	-
Outpatient <sup>4</sup> .....	100	100	28	( <sup>5</sup> )	68	4	-
<b>Physician visits</b>							
In hospital .....	100	100	20	( <sup>5</sup> )	72	8	-
Office .....	100	100	4	13	73	11	-
Diagnostic X-ray and laboratory .....	100	100	17	( <sup>5</sup> )	72	11	-
Prescription drugs—nonhospital .....	100	95	( <sup>5</sup> )	26	61	8	5
<b>Mental health care</b>							
In hospital .....	100	97	2	17	9	70	3
Outpatient .....	100	97	-	19	1	77	3
<b>Alcohol abuse treatment</b>							
Inpatient detoxification <sup>6</sup> .....	100	95	8	9	17	61	5
Inpatient rehabilitation <sup>7</sup> .....	100	70	1	9	6	54	30
Outpatient rehabilitation <sup>7</sup> .....	100	74	1	11	7	55	26
<b>Drug abuse treatment</b>							
Inpatient detoxification <sup>6</sup> .....	100	94	8	9	16	61	6
Inpatient rehabilitation <sup>7</sup> .....	100	69	1	9	4	54	31
Outpatient rehabilitation <sup>7</sup> .....	100	72	1	11	5	55	28

See footnotes at end of table.

**Table 34. Medical care benefits: Percent of full-time participants by coverage for selected categories of care, small private establishments, 1992—Continued**

Category of medical care	Total	Care provided					Care not provided
		All	Covered in full	Subject to internal limits only <sup>1</sup>	Subject to overall limits only <sup>2</sup>	Subject to internal and overall limits	
<b>Clerical and sales</b>							
Hospital room and board .....	100	100	12	4	58	26	-
Extended care facility <sup>3</sup> .....	100	85	4	19	14	48	15
Home health care <sup>3</sup> .....	100	85	11	14	16	43	15
Hospice .....	100	56	5	9	16	26	44
Surgery							
Inpatient .....	100	100	27	( <sup>4</sup> )	68	5	-
Outpatient <sup>4</sup> .....	100	100	31	( <sup>4</sup> )	63	6	-
Physician visits							
In hospital .....	100	100	22	1	68	10	-
Office .....	100	100	6	12	73	9	-
Diagnostic X-ray and laboratory .....	100	100	23	( <sup>4</sup> )	67	10	-
Prescription drugs—nonhospital .....	100	95	1	25	63	7	5
Mental health care							
In hospital .....	100	97	1	16	9	71	3
Outpatient .....	100	95	( <sup>4</sup> )	18	2	74	5
Alcohol abuse treatment							
Inpatient detoxification <sup>5</sup> .....	100	95	7	11	20	57	5
Inpatient rehabilitation <sup>7</sup> .....	100	67	1	10	7	48	33
Outpatient rehabilitation <sup>7</sup> .....	100	70	1	14	5	50	30
Drug abuse treatment							
Inpatient detoxification <sup>6</sup> .....	100	91	7	11	18	55	9
Inpatient rehabilitation <sup>7</sup> .....	100	64	1	10	5	48	36
Outpatient rehabilitation <sup>7</sup> .....	100	68	1	13	4	49	32
<b>Blue-collar and service</b>							
Hospital room and board .....	100	100	13	4	55	28	-
Extended care facility <sup>3</sup> .....	100	81	5	16	11	49	19
Home health care <sup>3</sup> .....	100	75	12	10	17	36	25
Hospice .....	100	56	6	5	20	24	44
Surgery							
Inpatient .....	100	100	21	1	69	9	-
Outpatient <sup>4</sup> .....	100	100	28	1	63	9	-
Physician visits							
In hospital .....	100	100	17	( <sup>4</sup> )	67	16	-
Office .....	100	100	4	18	70	9	( <sup>4</sup> )
Diagnostic X-ray and laboratory .....	100	100	24	( <sup>4</sup> )	66	10	-
Prescription drugs—nonhospital .....	100	96	1	27	61	6	4
Mental health care							
In hospital .....	100	94	2	14	9	69	6
Outpatient .....	100	94	( <sup>4</sup> )	17	3	74	6
Alcohol abuse treatment							
Inpatient detoxification <sup>6</sup> .....	100	96	7	11	14	63	4
Inpatient rehabilitation <sup>7</sup> .....	100	71	1	11	5	55	29
Outpatient rehabilitation <sup>7</sup> .....	100	71	1	14	6	51	29
Drug abuse treatment							
Inpatient detoxification <sup>6</sup> .....	100	95	7	10	15	62	5
Inpatient rehabilitation <sup>7</sup> .....	100	68	1	10	5	53	32
Outpatient rehabilitation <sup>7</sup> .....	100	68	1	13	5	49	32

<sup>1</sup> Internal limits apply to individual categories of care, e.g., separate limits or benefits for hospitalization. Limits may be set in terms of dollar ceilings on benefits, a requirement that the participant pay a percentage of costs (coinsurance), or a requirement that the participant pay a specific amount (deductible or copayment) before reimbursement begins or services are rendered.

<sup>2</sup> Overall limits are expressed only in terms of total benefits payable under the plan, rather than for individual categories of care. Limits are set as deductibles, coinsurance percentages, and overall dollar limits on plan benefits.

<sup>3</sup> Some plans provide this care only to a patient who was previously hospitalized and is recovering without need of the extensive care provided

by a general hospital.

<sup>4</sup> Charges incurred in the outpatient department of a hospital and outside of the hospital.

<sup>5</sup> Less than 0.5 percent.

<sup>6</sup> Detoxification is the systematic use of medication and other methods under medical supervision to reduce or eliminate the effects of substance abuse.

<sup>7</sup> Rehabilitation is designed to alter abusive behavior in patients once they are free of acute physical and mental complications.

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

**Table 35. Health care benefits: Percent of full-time participants by arrangement for payment to providers and type of financial intermediary, small private establishments, 1992**

Fee arrangement and financial intermediary	All participants			Professional, technical, and related participants			Clerical and sales participants			Blue-collar and service participants		
	Medical care <sup>1</sup>	Dental care	Vision care	Medical care <sup>1</sup>	Dental care	Vision care	Medical care <sup>1</sup>	Dental care	Vision care	Medical care <sup>1</sup>	Dental care	Vision care
Total .....	100	100	100	100	100	100	100	100	100	100	100	100
Traditional fee-for-service .....	68	85	66	63	87	55	71	89	70	68	81	67
No intermediary--self												
insured <sup>2</sup> .....	27	40	35	23	37	25	28	45	34	29	37	39
Commercial insurance company	24	35	17	26	38	22	27	38	23	22	31	11
Blue Cross-Blue Shield .....	15	4	4	12	5	2	16	2	4	15	5	4
Independent organization .....	( <sup>3</sup> )	1	1	1	( <sup>3</sup> )	1	( <sup>3</sup> )	( <sup>3</sup> )	1	( <sup>3</sup> )	2	2
Medical or dental society .....	-	5	9	-	6	5	-	3	9	-	7	11
Combined .....	2	( <sup>3</sup> )	-	2	-	-	2	( <sup>3</sup> )	-	2	-	-
Preferred provider organization <sup>4</sup> .....	18	8	13	24	8	17	16	6	9	16	9	14
No intermediary--self												
insured <sup>2</sup> .....	5	4	1	5	2	2	6	1	1	3	7	1
Commercial insurance company	9	2	3	13	4	11	6	2	3	9	1	1
Blue Cross-Blue Shield .....	4	1	( <sup>3</sup> )	5	1	( <sup>3</sup> )	3	1	( <sup>3</sup> )	3	1	( <sup>3</sup> )
Independent organization .....	( <sup>3</sup> )	( <sup>3</sup> )	-	( <sup>3</sup> )	-	-	( <sup>3</sup> )	( <sup>3</sup> )	-	1	-	-
Medical or dental society .....	-	1	8	-	1	3	-	2	4	-	1	12
Combined .....	( <sup>3</sup> )	-	-	-	-	-	( <sup>3</sup> )	-	-	( <sup>3</sup> )	-	-
Prepaid health maintenance organization <sup>5</sup> .....	14	6	17	14	5	26	13	5	16	16	9	14
No intermediary--self												
insured <sup>2</sup> .....	( <sup>3</sup> )	-	-	( <sup>3</sup> )	-	-	( <sup>3</sup> )	-	-	-	-	-
Commercial insurance company	2	1	1	3	1	( <sup>3</sup> )	1	1	1	2	1	1
Blue Cross-Blue Shield .....	2	1	3	1	( <sup>3</sup> )	3	1	( <sup>3</sup> )	2	2	1	3
Independent organization .....	10	5	13	9	4	22	10	4	13	12	7	10
Other <sup>6</sup> .....	( <sup>3</sup> )	( <sup>3</sup> )	4	( <sup>3</sup> )	-	2	( <sup>3</sup> )	( <sup>3</sup> )	5	( <sup>3</sup> )	1	4

<sup>1</sup> Plans providing services or payments for services rendered in the hospital or by a physician.

<sup>2</sup> Includes plans that are financed on a pay-as-you-go basis, plans financed through contributions to a trust fund established to pay benefits, and plans operating their own facilities if at least partially financed by employer contributions. Includes plans that are administered by a commercial carrier through Administrative Services Only (ASO) contracts.

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

<sup>4</sup> A preferred provider organization (PPO) is a group of hospitals and physicians that contracts to provide comprehensive medical services. To encourage use of organization members, the health care plan limits reimbursement rates when participants use nonmember services.

<sup>5</sup> Includes federally qualified (those meeting standards of the Health Maintenance Organization Act of 1973, as amended) and other HMO's delivering comprehensive health care on a prepayment rather than fee-for-service basis.

<sup>6</sup> Includes exclusive provider organizations, which are groups of hospitals and physicians that contract to provide comprehensive medical services. Participants are required to obtain services from members of the organization in order to receive plan benefits.

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

**Table 36. Medical care benefits: Percent of full-time participants in plans with overall limitations on benefits by amount of deductible, small private establishments, 1992**

Type and amount of deductible <sup>2</sup>	All participants	Professional, technical, and related participants	Clerical and sales participants	Blue-collar and service participants
Total .....	100	100	100	100
Deductible specified .....	91	90	93	89
Deductible on an annual basis <sup>3</sup> ..	90	90	93	88
Based on earnings <sup>4</sup> .....	( <sup>5</sup> )	( <sup>5</sup> )	1	( <sup>5</sup> )
Flat dollar amount .....	90	90	92	88
Less than \$100 .....	1	1	1	1
\$100 .....	29	24	29	31
\$101-\$149 .....	( <sup>5</sup> )	( <sup>5</sup> )	( <sup>5</sup> )	-
\$150 .....	9	13	9	7
\$151-\$199 .....	( <sup>5</sup> )	( <sup>5</sup> )	( <sup>5</sup> )	( <sup>5</sup> )
\$200 .....	21	23	21	19
\$201-\$249 .....	( <sup>5</sup> )	( <sup>5</sup> )	( <sup>5</sup> )	( <sup>5</sup> )
\$250 .....	14	11	14	15
\$251-\$299 .....	( <sup>5</sup> )	( <sup>5</sup> )	( <sup>5</sup> )	( <sup>5</sup> )
\$300 .....	8	7	8	8
Over \$300 .....	8	10	9	7
Deductible not on an annual basis .....	( <sup>5</sup> )	( <sup>5</sup> )	( <sup>5</sup> )	1
No deductible .....	9	9	7	11
Not determinable .....	( <sup>5</sup> )	( <sup>5</sup> )	( <sup>5</sup> )	( <sup>5</sup> )
Average annual deductible .....	\$220	\$236	\$222	\$210

<sup>1</sup> The deductible is the amount of covered expenses that an individual must pay before any charges are paid by the medical care plan. Deductibles that apply separately to a specific category of expense, such as a deductible for each hospital admission, were excluded from this tabulation.

<sup>2</sup> Amount of deductible described is for each insured person. However, many plans contain a maximum family deductible. In some plans, the individual and family deductibles are identical. If the deductible applied only to dependents' coverage, it was not tabulated.

<sup>3</sup> The basis of the deductible is the length of time within which a single deductible requirement applies. Some plans require that expenses equal to the deductible be incurred within a shorter period, such as 90 days.

<sup>4</sup> These plans have deductibles that vary by the amount of the participant's earnings. A typical provision is 1 percent of annual earnings with a maximum deductible of \$150.

<sup>5</sup> Less than 0.5 percent.

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

**Table 37. Medical care benefits: Percent of full-time participants in plans with overall limitations on benefits by coinsurance rate, small private establishments, 1992**

Coinsurance amount	All participants	Professional, technical, and related participants	Clerical and sales participants	Blue-collar and service participants
<b>Traditional-fee-for service</b>				
Total .....	100	100	100	100
With coinsurance <sup>1</sup> .....	98	96	98	99
Coinsurance rate <sup>2</sup>				
80 percent .....	90	89	90	90
85 percent .....	1	1	1	1
90 percent .....	2	1	2	4
Other percent .....	4	5	5	4
Varies <sup>3</sup> .....	1	( <sup>4</sup> )	1	1
Without coinsurance <sup>5</sup> .....	2	4	2	1
<b>Preferred provider organizations</b>				
Total .....	100	100	100	100
With coinsurance <sup>1</sup> .....	86	89	87	83
Coinsurance rate <sup>2</sup>				
80 percent .....	32	34	31	32
85 percent .....	3	4	2	2
90 percent .....	48	50	51	44
Other percent .....	3	1	3	4
Varies <sup>3</sup> .....	1	1	1	1
Without coinsurance <sup>5</sup> .....	14	11	13	17

<sup>1</sup> Represents the initial coinsurance in plans that have 100 percent coverage after the individual pays a specified dollar amount toward expenses. For example, the plan pays 80 percent until the individual's out-of-pocket expense reaches \$1,000, and then coverage is at 100 percent.

<sup>2</sup> A few plans have more than one coinsurance rate. In those cases, the coinsurance rate shown is that which applies to the majority of benefits under the plan.

<sup>3</sup> The overall coinsurance rate varies by specified dollar amount of expenses. For example, 80 percent coverage up to \$5,000 and 90 percent thereafter.

<sup>4</sup> Less than 0.5 percent.

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

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

**Table 38. Medical care benefits: Percent of full-time participants in plans with overall limitations on benefits by maximum out-of-pocket expense provisions, small private establishments, 1992**

Provision	All participants	Professional, technical, and related participants	Clerical and sales participants	Blue-collar and service participants
Total .....	100	100	100	100
With limit on out-of-pocket expense .	90	91	92	88
With an annual dollar maximum on out-of-pocket expense <sup>1</sup> .....	88	89	89	86
Per individual:				
Less than \$400 .....	4	6	3	4
\$400 .....	10	10	11	10
\$401-\$499 .....	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	-
\$500 .....	12	11	13	12
\$501-\$749 .....	5	6	5	5
\$750-\$999 .....	9	10	9	9
\$1,000 .....	23	24	21	23
\$1,001-\$1,499 .....	5	4	5	5
\$1,500-\$1,999 .....	6	6	7	6
\$2,000 .....	7	8	7	7
\$2,001 or greater .....	6	6	8	5
Per family: <sup>3</sup>				
Less than \$750 .....	3	5	3	2
\$750-\$999 .....	4	5	3	4
\$1,000 .....	5	4	5	6
\$1,001-\$1,249 .....	4	5	3	4
\$1,250-\$1,499 .....	2	2	1	2
\$1,500 .....	3	3	3	3
\$1,501-\$1,999 .....	3	3	2	4
\$2,000 .....	10	16	9	8
\$2,001-\$2,999 .....	8	7	8	7
\$3,000 .....	7	5	8	7
\$3,001 or greater .....	8	8	9	7
No family maximum .....	31	26	34	30
Annual maximum on out-of-pocket expenses varies by coinsurance rate <sup>4</sup> .....	2	2	3	2
No out-of-pocket expense required <sup>5</sup> .	3	4	2	3
Other <sup>6</sup> .....	( <sup>2</sup> )	( <sup>2</sup> )	1	( <sup>2</sup> )
No limit on out-of-pocket expenses .	7	3	5	9
Not determinable .....	( <sup>2</sup> )	1	-	( <sup>2</sup> )
Average dollar maximum on individual out-of-pocket expense ...	\$1,108	\$1,088	\$1,207	\$1,033
Average dollar maximum on family out-of-pocket expense .....	2,262	2,085	2,467	2,193

<sup>1</sup> Deductible amounts were excluded from computation of the out-of-pocket dollar limits. With rare exceptions, an out-of-pocket limit was specified on an annual basis. Few workers were in plans where the expense limit applied to a disability or a period other than a year. Charges for certain services, such as mental health care, may not be counted toward the out-of-pocket maximum. Under federally qualified HMO's, there is a limit on the amount of copayments the participant must pay, equal to a percentage of the total premium. These plans were excluded from the computation of the out-of-pocket dollar limits.

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

<sup>3</sup> In a few plans, family out-of-pocket expense could not be computed because no limit on family deductibles was given.

<sup>4</sup> Some plans reimburse medical expenses at more than one coinsurance rate. They impose a limit on out-of-pocket expenses by specifying a maximum on covered medical expenses beyond which all expenses are paid at 100 percent.

<sup>5</sup> All covered expenses are paid at 100 percent.

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

**Table 39. Medical care benefits: Percent of full-time participants in plans with overall limitations on benefits by total annual deductible and maximum out-of-pocket expense, small private establishments, 1992**

Dollar amount <sup>1</sup>	All participants	Professional, technical, and related participants	Clerical and sales participants	Blue-collar and service participants
Total .....	100	100	100	100
Plan specifies annual deductible and out-of-pocket maximum <sup>2</sup> .....	81	82	84	77
\$300-\$499 .....	2	2	2	2
\$500 .....	8	8	8	7
\$501-\$599 .....	( <sup>3</sup> )	1	1	( <sup>3</sup> )
\$600 .....	8	9	9	8
\$601-\$999 .....	12	10	10	14
\$1,000 .....	6	7	7	6
\$1,001-\$1,099 .....	( <sup>3</sup> )	( <sup>3</sup> )	( <sup>3</sup> )	( <sup>3</sup> )
\$1,100 .....	5	5	5	6
\$1,101-\$1,499 .....	15	15	14	15
\$1,500-\$1,699 .....	5	6	6	5
\$1,700-\$2,099 .....	6	4	6	6
\$2,100 and greater .....	11	14	14	8
Based on earnings .....	( <sup>3</sup> )	( <sup>3</sup> )	1	( <sup>3</sup> )
Plan does not specify maximum annual out-of-pocket expense or annual deductible .....	19	18	16	23

<sup>1</sup> Total amount of deductible and out-of-pocket maximum is for each insured person. In some plans, the individual and family deductibles are identical.

<sup>2</sup> Under federally qualified HMO's, there is a limit on the amount of copayments the participant must pay, equal to a percentage of the total premium. These plans were excluded from the computation of the out-of-pocket dollar limits.

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

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



**Table 40. Medical care benefits: Percent of full-time participants in plans with overall limitations on benefits by maximum benefit provisions, small private establishments, 1992**

Type and dollar amount of maximum <sup>1</sup>	All participants	Professional, technical, and related participants	Clerical and sales participants	Blue-collar and service participants
Total .....	100	100	100	100
With maximum limits .....	74	70	72	78
Lifetime maximum only .....	70	67	69	72
Less than \$100,000 .....	1	( <sup>2</sup> )	1	1
\$100,000 .....	1	( <sup>2</sup> )	( <sup>2</sup> )	2
\$100,001-\$249,999 .....	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )
\$250,000 .....	6	7	7	5
\$250,001-\$499,999 .....	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	-
\$500,000 .....	3	2	3	3
\$500,001-\$999,999 .....	1	( <sup>2</sup> )	1	( <sup>2</sup> )
\$1,000,000 .....	51	49	48	53
More than \$1,000,000 .....	8	8	8	8
Annual or disability maximum only .....	3	2	2	4
Both lifetime and annual or disability maximums .....	1	1	1	2
Other maximum .....	( <sup>2</sup> )	-	( <sup>2</sup> )	-
Without maximum limits .....	26	30	28	22
Average lifetime maximum .....	\$1,027,411	\$1,063,431	\$1,003,467	\$1,029,865

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

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

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

**Table 41. Medical care benefits: Percent of full-time participants in plans with hospital room and board coverage by type of benefit payments, small private establishments, 1992**

Type of payment	All participants	Professional, technical, and related participants	Clerical and sales participants	Blue-collar and service participants
Total .....	100	100	100	100
Full semiprivate rate <sup>1</sup> .....	16	18	15	16
Full semiprivate rate for unlimited days but subject to a separate deductible or separate dollar maximum .....	4	4	3	6
Full semiprivate rate for limited days .....	1	1	1	2
Full semiprivate rate for limited period, then percent of semiprivate rate .....	15	13	18	13
80 percent .....	14	12	17	11
Other .....	1	1	1	2
Percent of semiprivate rate .....	59	63	60	57
80 percent .....	46	47	47	45
85 percent .....	1	1	1	1
90 percent .....	9	12	8	8
Other .....	3	3	3	3
Varies .....	1	( <sup>2</sup> )	1	1
Percent of semiprivate rate for limited period, then subject to another percentage .....	1	1	1	2
Daily dollar allowance, plus percent of the full semiprivate rate .....	3	( <sup>2</sup> )	2	4

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

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

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

**Table 42. Medical care benefits: Percent of full-time participants in plans with hospital room and board coverage by copayment requirement and type of plan, small private establishments, 1992**

	All plans	Non-health maintenance organizations	Health maintenance organizations
<b>All participants</b>			
Total .....	100	100	100
Subject to a copayment .....	14	13	18
No copayment required .....	86	87	82
<b>Professional, technical, and related</b>			
Total .....	100	100	100
Subject to a copayment .....	15	14	20
No copayment required .....	85	86	80
<b>Clerical and sales</b>			
Total .....	100	100	100
Subject to a copayment .....	14	14	19
No copayment required .....	86	86	81
<b>Blue-collar and service</b>			
Total .....	100	100	100
Subject to a copayment .....	14	13	16
No copayment required .....	86	87	84

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

**Table 43. Medical care benefits: Percent of full-time participants in plans with in-hospital surgical benefits by type of payment, small private establishments, 1992**

Type of payment	All participants	Professional, technical, and related participants	Clerical and sales participants	Blue-collar and service participants
Total .....	100	100	100	100
Full usual, customary, and reasonable charge <sup>1</sup> .....	24	23	27	21
Full usual, customary, and reasonable charge up to a specified amount, plus percent of additional charges .....	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )
Full usual, customary, and reasonable charge up to a specified amount or subject to a deductible .....	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )
Percent of usual, customary, and reasonable charge:				
80 percent .....	52	52	51	54
85 percent .....	1	1	1	1
90 percent .....	8	11	8	8
95 percent .....	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )
Other percent <sup>3</sup> .....	9	10	9	7
Percent of usual, customary, and reasonable charge plus percent of additional charges based on plan's coinsurance rate .....	1	( <sup>2</sup> )	1	2
Dollar allowance per procedure, plus percent of additional charges:				
80 percent .....	4	1	3	5
Other percent .....	1	( <sup>2</sup> )	( <sup>2</sup> )	1
Dollar allowance per procedure .....	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	1

<sup>1</sup> Includes full service benefits provided by health maintenance organizations or preferred provider organizations.

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

<sup>3</sup> Includes plans with overall benefit limitations, such as maximum dollar amounts and deductibles, where the coinsurance rate is 100 percent.

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

**Table 44. Medical care benefits: Percent of full-time participants in plans with in-hospital surgical benefits by comparison with outpatient surgical coverage, by type of medical care provider, small private establishments, 1992**

Outpatient surgery	All participants	Professional, technical, and related participants	Clerical and sales participants	Blue-collar and service participants
<b>All plans</b>				
Total .....	100	100	100	100
Coverage the same as in-hospital surgery .....	79	82	81	76
Coverage differs from in-hospital surgery .....	21	18	19	24
<b>Non-health maintenance organizations</b>				
Total .....	100	100	100	100
Coverage the same as in-hospital surgery .....	77	81	79	74
Coverage differs from in-hospital surgery .....	23	19	21	26
<b>Health maintenance organizations</b>				
Total .....	100	100	100	100
Coverage the same as in-hospital surgery .....	89	88	97	85
Coverage differs from in-hospital surgery .....	11	12	3	15

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

**Table 45. Medical care benefits: Percent of full-time participants by availability of managed care benefits, small private establishments, 1992**

Managed care plan	All participants	Professional, technical, and related participants	Clerical and sales participants	Blue-collar and service participants
Total .....	100	100	100	100
With managed care benefits .....	89	88	91	89
Traditional fee-for-service, with at least one cost containment feature <sup>1</sup> .....	57	50	62	57
Preferred provider organization <sup>2</sup> ..	18	24	16	16
Exclusive provider organization <sup>3</sup> ..	( <sup>4</sup> )	( <sup>4</sup> )	( <sup>4</sup> )	( <sup>4</sup> )
Prepaid health maintenance organization <sup>5</sup> .....	14	14	13	16
Without managed care .....	11	12	9	11

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

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

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

<sup>4</sup> Less than 0.5 percent.

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

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

**Table 46. Medical care benefits: Percent of full-time participants in non-health maintenance organization plans by coverage for selected cost containment features, small private establishments, 1992**

Cost containment feature	All participants	Professional, technical, and related participants	Clerical and sales participants	Blue-collar and service participants
No or limited reimbursement for nonemergency weekend admission to hospital .....	15	17	14	14
Prehospitalization testing provision .....	53	54	59	48
Incentive to audit hospital statement .....	8	8	6	10
Care subject to utilization review .....	37	39	37	36
Prehospital admission certification requirement .....	71	72	71	70
With penalty .....	66	66	66	67
No benefit .....	6	4	6	7
Deductible on hospital admission .....	28	25	26	30
Less than \$100 .....	2	( <sup>1</sup> )	1	3
\$100 - \$199 .....	2	3	2	1
\$200 - \$299 .....	9	8	10	10
\$300 - \$399 .....	5	3	5	5
\$400 - \$500 .....	9	10	8	10
Greater than \$500 ...	1	1	1	1
Reduced percent of charges paid by plan .....	28	31	28	27
Other penalty .....	8	10	11	5
No penalty .....	4	5	5	3

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

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

**Table 47. Medical care benefits: Percent of full-time participants in non-health maintenance organization plans with inhospital surgical benefits by second surgical opinion provisions, small private establishments, 1992**

Item	All participants	Professional, technical, and related participants	Clerical and sales participants	Blue-collar and service participants
Total .....	100	100	100	100
With second surgical opinion provision .....	73	71	74	74
Without penalties for non-compliance .....	34	29	35	37
With penalties for non-compliance .....	39	42	39	37
For selected procedures <sup>1</sup> .....	29	32	28	28
No payment without second opinion .....	5	5	4	6
Reduced coinsurance without second opinion .....	24	27	23	22
For all procedures .....	7	8	7	6
Reduced coinsurance without second opinion .....	3	4	3	2
Schedule of payments lower without second opinion .....	( <sup>5</sup> )	( <sup>5</sup> )	( <sup>5</sup> )	( <sup>5</sup> )
Other lower payments .....	4	4	4	4
Details of incentive not available .....	3	2	4	3
Without second surgical opinion provision .....	27	29	26	26

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

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

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

**Table 48. Percent of full-time participants in preferred provider organization<sup>1</sup> plans by provision of care and comparison with traditional fee-for-service plans, small private establishments, 1992**

Item	All participants	Professional, technical, and related participants	Clerical and sales participants	Blue-collar and service participants
Total .....	100	100	100	100
Services subject to PPO incentive:				
Hospital room and board .....	96	97	95	96
Surgery .....	85	86	87	84
Physician's in hospital visits .....	86	88	84	86
Office visits .....	84	87	82	84
Outpatient prescription drugs .....	36	43	35	32
Type of PPO incentive: <sup>2</sup>				
Coinsurance rate differs .....	92	88	90	96
100 vs 80 .....	15	11	15	18
90 vs 80 .....	30	34	33	25
90 vs 70 .....	15	18	12	16
80 vs 70 .....	6	5	5	8
80 vs 60 .....	6	3	5	10
100 vs 70 .....	4	4	4	3
Other coinsurance differences .....	15	13	15	17
Lower annual deductible .....	34	38	36	30
Higher lifetime maximum benefit limit .....	3	3	4	2
Lower catastrophic maximum limit .....	46	48	45	45
Lower hospital deductible .....	20	22	20	19
Office visits copayment <sup>3</sup> .....	38	34	42	38
Outpatient prescription drugs copayment <sup>4</sup> .....	6	6	6	5
Other incentives .....	6	10	5	5
Not determinable .....	2	2	4	( <sup>5</sup> )

<sup>1</sup> A preferred provider organization (PPO) is a group of hospitals and physicians that contract to provide comprehensive medical services. To encourage use of organization members, the health care plan limits reimbursement rates when participants use nonmember services.

<sup>2</sup> Sum of individual items is greater than total because many participants were in plans with more than one incentive.

<sup>3</sup> Under a PPO, physicians office visits may be subject to a modest copayment, for example, \$10 per visit; visits to non-preferred doctors were commonly covered under major medical benefits that usually required satisfaction of an annual deductible and then paid 80 percent of physicians charges.

<sup>4</sup> Under a PPO, prescription drug coverage may be subject to a copayment per prescription, for example, \$5 per prescription; prescription drug coverage under non-preferred providers was often covered under major medical benefits that usually required satisfaction of an annual deductible and then paid 80 percent of charges.

<sup>5</sup> Less than 0.5 percent.

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

**Table 49. Medical care benefits: Percent of full-time participants in plans with mental health benefits by extent of benefits, small private establishments, 1992**

Coverage limitation	All participants		Professional, technical, and related participants		Clerical and sales participants		Blue-collar and service participants	
	Hospital care <sup>1</sup>	Outpatient care <sup>2</sup>	Hospital care <sup>1</sup>	Outpatient care <sup>2</sup>	Hospital care <sup>1</sup>	Outpatient care <sup>2</sup>	Hospital care <sup>1</sup>	Outpatient care <sup>2</sup>
Total <sup>3</sup> .....	100	100	100	100	100	100	100	100
With coverage .....	98	97	98	98	98	96	97	97
Covered the same as other illnesses .....	15	1	16	1	15	1	14	1
Subject to separate limitations <sup>4</sup> .....	83	96	81	97	84	95	83	95
Limit on days .....	48	31	48	35	47	27	49	32
Per year .....	43	30	44	35	41	26	44	32
Per confinement .....	4	( <sup>5</sup> )	4	-	5	( <sup>5</sup> )	4	( <sup>5</sup> )
Per lifetime .....	2	1	3	( <sup>5</sup> )	3	1	2	( <sup>5</sup> )
Limit on number of treatments .....	1	( <sup>5</sup> )	1	( <sup>5</sup> )	2	( <sup>5</sup> )	1	( <sup>5</sup> )
Limit on dollars .....	50	75	48	77	54	77	48	72
Per day .....	1	26	( <sup>5</sup> )	26	1	24	1	28
Per year .....	17	55	15	53	17	60	17	51
Per lifetime .....	43	40	42	43	48	41	40	37
Per other period .....	2	1	1	1	1	1	2	2
Coinsurance limit .....	13	61	11	61	12	63	15	60
50 percent .....	7	54	5	52	7	54	8	55
Other <sup>6</sup> .....	6	7	5	9	5	9	7	5
Ceiling on out-of-pocket expenses does not apply .....	22	49	22	50	22	51	22	48
Separate copayment or deductible .....	1	11	1	13	1	10	1	12
Other limitations .....	( <sup>5</sup> )	( <sup>5</sup> )	( <sup>5</sup> )	-	1	( <sup>5</sup> )	( <sup>5</sup> )	-
Without coverage .....	2	3	2	2	2	4	3	3

<sup>1</sup> Excludes doctor's charges in the hospital.

<sup>2</sup> Includes treatment in one or more of the following: Outpatient department of a hospital, residential treatment center, organized outpatient clinic, day-night treatment center, or doctor's office. If benefits differed by location of treatment, doctor's office care was tabulated.

<sup>3</sup> Includes all workers with some type of mental health care coverage.

<sup>4</sup> Separate limitations indicate that mental health care benefits are more restrictive than benefits for other treatments. For example, if a plan limits inpatient mental health care to 30 days per year, but the limit on inpatient care for any other type of illness is greater than 30

days per year, that plan contains separate limits. The total is less than the sum of the individual items because many plans had more than one type of limitation on mental health coverage.

<sup>5</sup> Less than 0.5 percent.

<sup>6</sup> Includes plans with reduced coinsurance other than 50 percent and plans where the rate of reimbursement varied during the treatment period.

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

**Table 50. Medical care benefits: Percent of full-time participants in plans with substance abuse benefits by uniformity in coverage, small private establishments, 1992**

Coverage limitation	All participants	Professional, technical, and related participants	Clerical and sales participants	Blue-collar and service participants
Total .....	100	100	100	100
With alcohol abuse treatment benefits .....	100	100	100	100
Drug abuse treatment covered in the same manner .....	91	92	89	91
Drug abuse treatment covered differently .....	7	7	7	8
Drug abuse treatment benefits not provided .....	2	1	4	1

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

**Table 51. Medical care benefits: Percent of full-time participants in plans with alcohol abuse treatment benefits by extent of benefits, small private establishments, 1992**

Coverage limitation	All participants			Professional, technical, and related participants			Clerical and sales participants			Blue-collar and service participants		
	Inpatient detoxification <sup>1</sup>	Inpatient rehabilitation <sup>2</sup>	Out-patient care <sup>3</sup>	Inpatient detoxification <sup>1</sup>	Inpatient rehabilitation <sup>2</sup>	Out-patient care <sup>3</sup>	Inpatient detoxification <sup>1</sup>	Inpatient rehabilitation <sup>2</sup>	Out-patient care <sup>3</sup>	Inpatient detoxification <sup>1</sup>	Inpatient rehabilitation <sup>2</sup>	Out-patient care <sup>3</sup>
Total <sup>4</sup> .....	100	100	100	100	100	100	100	100	100	100	100	100
With coverage .....	100	73	75	100	74	78	100	71	74	100	74	74
Covered the same as other illnesses	36	9	8	36	9	10	38	10	8	34	9	8
Subject to separate limitations <sup>5</sup> .....	64	64	66	64	64	67	62	61	66	66	66	66
Limit on days .....	40	40	24	41	43	28	38	39	24	41	40	23
Per year .....	28	31	20	28	33	26	26	31	21	29	30	17
Per confinement .....	8	5	1	10	6	( <sup>6</sup> )	9	4	( <sup>6</sup> )	7	5	2
Per lifetime .....	5	8	4	4	7	3	4	8	5	5	9	5
Limit on number of treatments	10	7	3	11	10	2	8	6	1	11	7	4
Limit on dollars .....	36	36	49	35	36	49	34	34	49	38	38	49
Per day .....	1	1	12	1	2	13	1	2	12	1	1	12
Per year .....	13	13	35	12	12	31	10	10	36	17	17	36
Per lifetime .....	28	28	27	29	30	31	28	28	27	28	28	25
Per other period .....	4	4	3	2	2	2	3	3	3	5	5	4
Coinsurance limit <sup>7</sup> .....	9	8	28	8	7	27	7	7	29	11	10	28
Ceiling on out-of-pocket expenses does not apply .....	16	16	26	17	17	25	16	16	29	16	16	25
Separate copayment or deductible .....	1	1	4	1	1	4	( <sup>6</sup> )	( <sup>6</sup> )	3	1	1	4
Other limitations .....	( <sup>6</sup> )	( <sup>6</sup> )	( <sup>6</sup> )	( <sup>6</sup> )	( <sup>6</sup> )	( <sup>6</sup> )	1	( <sup>6</sup> )	( <sup>6</sup> )	( <sup>6</sup> )	1	1
Without coverage .....	( <sup>6</sup> )	27	25	( <sup>6</sup> )	26	22	( <sup>6</sup> )	29	26	( <sup>6</sup> )	26	26

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

<sup>2</sup> Rehabilitation is designed to alter abusive behavior in patients once they are free of acute physical and mental complications.

<sup>3</sup> Includes treatment in one or more of the following: Outpatient department of a hospital, residential treatment center, organized outpatient clinic, day-night treatment center, or doctor's office. If benefits differed by location of treatment, doctor's office care was tabulated.

<sup>4</sup> Includes all workers with some type of alcohol abuse treatment coverage.

<sup>5</sup> Separate limitations indicate that alcohol abuse treatment benefits are

more restrictive than benefits for other treatments. For example, if a plan limits inpatient rehabilitation care to 30 days per year, but the limit on inpatient care for any other type of illness is greater than 30 days per year, that plan contains separate limits. The total is less than the sum of the individual items because many plans had more than one type of limitation.

<sup>6</sup> Less than 0.5 percent.

<sup>7</sup> Coinsurance rate is lower than that applying to other medical services. In such cases, outpatient rehabilitation care is generally at a coinsurance rate of 50 percent.

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

**Table 52. Medical care benefits: Percent of full-time participants in plans with drug abuse treatment benefits by extent of benefits, small private establishments, 1992**

Coverage limitation	All participants			Professional, technical, and related participants			Clerical and sales participants			Blue-collar and service participants		
	Inpatient detoxification <sup>1</sup>	Inpatient rehabilitation <sup>2</sup>	Out-patient care <sup>3</sup>	Inpatient detoxification <sup>1</sup>	Inpatient rehabilitation <sup>2</sup>	Out-patient care <sup>3</sup>	Inpatient detoxification <sup>1</sup>	Inpatient rehabilitation <sup>2</sup>	Out-patient care <sup>3</sup>	Inpatient detoxification <sup>1</sup>	Inpatient rehabilitation <sup>2</sup>	Out-patient care <sup>3</sup>
Total <sup>4</sup> .....	100	100	100	100	100	100	100	100	100	100	100	100
With coverage .....	100	71	73	100	73	76	100	71	75	100	71	71
Covered the same as other illnesses	36	8	8	35	8	9	35	8	7	36	8	8
Subject to separate limitations <sup>5</sup> .....	64	63	66	65	65	67	65	63	68	64	63	64
Limit on days .....	40	40	22	41	42	26	39	40	23	39	38	20
Per year .....	29	31	19	29	33	24	29	32	20	29	30	16
Per confinement .....	7	4	( <sup>6</sup> )	9	6	( <sup>6</sup> )	8	4	( <sup>6</sup> )	5	4	( <sup>6</sup> )
Per lifetime .....	5	7	3	4	5	2	5	7	3	5	7	3
Limit on number of treatments	8	7	3	9	10	2	7	6	2	8	7	4
Limit on dollars .....	37	37	51	37	37	51	36	36	52	38	38	49
Per day .....	1	1	12	1	2	13	1	2	12	( <sup>6</sup> )	( <sup>6</sup> )	13
Per year .....	13	13	36	12	12	33	10	9	38	16	16	36
Per lifetime .....	30	30	28	31	32	32	31	31	30	28	28	25
Per other period .....	4	4	3	2	2	2	3	3	3	5	5	4
Coinsurance limit <sup>7</sup> .....	9	9	29	8	8	28	6	6	30	11	11	30
Ceiling on out-of-pocket expenses does not apply .....	17	17	28	18	18	27	17	16	31	16	16	26
Separate copayment or deductible .....	1	1	4	1	1	4	( <sup>6</sup> )	( <sup>6</sup> )	3	1	1	4
Other limitations .....	( <sup>6</sup> )	( <sup>6</sup> )	( <sup>6</sup> )	( <sup>6</sup> )	( <sup>6</sup> )	( <sup>6</sup> )	1	( <sup>6</sup> )	( <sup>6</sup> )	( <sup>6</sup> )	1	1
Without coverage .....	( <sup>6</sup> )	29	27	( <sup>6</sup> )	27	24	( <sup>6</sup> )	29	25	( <sup>6</sup> )	29	29

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

<sup>2</sup> Rehabilitation is designed to alter abusive behavior in patients once they are free of acute physical and mental complications.

<sup>3</sup> Includes treatment in one or more of the following: Outpatient department of a hospital, residential treatment center, organized outpatient clinic, day-night treatment center, or doctor's office. If benefits differed by location of treatment, doctor's office care was tabulated.

<sup>4</sup> Includes all workers with some type of drug abuse treatment coverage.

<sup>5</sup> Separate limitations indicate that drug abuse treatment benefits are

more restrictive than benefits for other treatments. For example, if a plan limits inpatient rehabilitation care to 30 days per year, but the limit on inpatient care for any other type of illness is greater than 30 days per year, that plan contains separate limits. The total is less than the sum of the individual items because many plans had more than one type of limitation.

<sup>6</sup> Less than 0.5 percent.

<sup>7</sup> Coinsurance rate is lower than that applying to other medical services. In such cases, outpatient rehabilitation care is generally at a coinsurance rate of 50 percent.

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



**Table 53. Medical care benefits<sup>1</sup>: Percent of full-time participants by type of plan and coverage for selected special benefits, small private establishments, 1992**

Benefit item	All plans	Health maintenance organizations	Non-health maintenance organizations
<b>All participants</b>			
Hearing care <sup>2</sup> .....	18	90	6
Routine physical examinations .....	28	98	16
Organ transplant .....	31	23	32
Well-baby care .....	37	97	27
Immunization and inoculation .....	26	97	14
Birthing center .....	22	4	25
Preventive dental care <sup>3</sup> .....	1	9	( <sup>4</sup> )
Vision examinations only <sup>5</sup> .....	14	69	5
<b>Professional, technical, and related</b>			
Hearing care <sup>2</sup> .....	20	90	9
Routine physical examinations .....	30	98	20
Organ transplant .....	31	18	33
Well-baby care .....	41	97	32
Immunization and inoculation .....	25	95	14
Birthing center .....	24	4	27
Preventive dental care <sup>3</sup> .....	2	15	( <sup>4</sup> )
Vision examinations only <sup>5</sup> .....	16	68	7
<b>Clerical and sales</b>			
Hearing care <sup>2</sup> .....	19	96	7
Routine physical examinations .....	28	99	18
Organ transplant .....	31	26	31
Well-baby care .....	36	97	27
Immunization and inoculation .....	25	98	14
Birthing center .....	23	3	26
Preventive dental care <sup>3</sup> .....	1	9	( <sup>4</sup> )
Vision examinations only <sup>5</sup> .....	15	77	6
<b>Blue-collar and service</b>			
Hearing care <sup>2</sup> .....	17	86	4
Routine physical examinations .....	26	98	13
Organ transplant .....	31	23	33
Well-baby care .....	35	97	24
Immunization and inoculation .....	26	98	13
Birthing center .....	19	5	22
Preventive dental care <sup>3</sup> .....	1	6	( <sup>4</sup> )
Vision examinations only <sup>5</sup> .....	12	64	2

<sup>1</sup> Plans providing services or payments for services rendered in the hospital or by a physician. Excludes plans that provided only prescription drug coverage.

<sup>2</sup> Plans provide, as a minimum, coverage for hearing examination expenses.

<sup>3</sup> Includes plans that only provide examinations

and X-rays.

<sup>4</sup> Less than 0.5 percent.

<sup>5</sup> Includes plans that provide only examinations.

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

**Table 54. Medical care benefits: Percent of full-time participants in contributory plans<sup>1</sup> by type and amount of employee contribution, small private establishments, 1992**

Type and amount of contribution	All plans		Health maintenance organizations		Non-health maintenance organizations	
	Employee coverage	Family coverage <sup>2</sup>	Employee coverage	Family coverage <sup>2</sup>	Employee coverage	Family coverage <sup>2</sup>
<b>All participants</b>						
Total .....	100	100	100	100	100	100
Flat monthly amount .....	83	78	83	77	83	78
Less than \$5.00 .....	1	1	2	1	1	1
\$5.00-\$9.99 .....	2	( <sup>1</sup> )	2	-	2	( <sup>1</sup> )
\$10.00-\$14.99 .....	6	( <sup>1</sup> )	7	1	6	( <sup>1</sup> )
\$15.00-\$19.99 .....	8	1	11	-	7	1
\$20.00-\$29.99 .....	12	3	10	5	12	3
\$30.00-\$39.99 .....	14	3	9	2	15	3
\$40.00-\$49.99 .....	6	2	15	2	4	2
\$50.00-\$59.99 .....	7	2	4	( <sup>1</sup> )	8	3
\$60.00-\$69.99 .....	4	5	7	2	3	5
\$70.00-\$79.99 .....	4	2	8	2	3	2
\$80.00-\$89.99 .....	2	3	3	3	2	3
\$90.00-\$99.99 .....	( <sup>1</sup> )	2	-	2	1	2
\$100.00-\$124.99 .....	1	4	1	6	( <sup>1</sup> )	4
\$125.00-\$149.99 .....	( <sup>1</sup> )	6	-	2	( <sup>1</sup> )	6
\$150.00-\$174.99 .....	-	7	-	3	-	8
\$175.00-\$199.99 .....	-	6	-	6	-	7
\$200.00 or greater .....	-	19	-	35	-	16
Composite rate <sup>4</sup> .....	16	11	6	4	18	12
Amount varies by employee <sup>5</sup> .....	9	6	5	4	10	6
Amount varies by earnings .....	( <sup>1</sup> )	( <sup>1</sup> )	-	( <sup>1</sup> )	1	( <sup>1</sup> )
Not determinable .....	8	16	12	18	7	16
<b>Professional, technical, and related</b>						
Total .....	100	100	100	100	100	100
Flat monthly amount .....	77	76	66	69	80	78
Less than \$5.00 .....	1	1	1	-	( <sup>1</sup> )	1
\$5.00-\$9.99 .....	2	( <sup>1</sup> )	( <sup>1</sup> )	-	2	( <sup>1</sup> )
\$10.00-\$14.99 .....	7	( <sup>1</sup> )	3	1	8	( <sup>1</sup> )
\$15.00-\$19.99 .....	8	( <sup>1</sup> )	14	-	7	( <sup>1</sup> )
\$20.00-\$29.99 .....	16	1	15	-	16	2
\$30.00-\$39.99 .....	14	4	9	-	15	5
\$40.00-\$49.99 .....	5	3	4	6	5	2
\$50.00-\$59.99 .....	6	3	4	-	7	4
\$60.00-\$69.99 .....	4	5	9	1	3	6
\$70.00-\$79.99 .....	4	1	4	3	5	1
\$80.00-\$89.99 .....	2	6	( <sup>1</sup> )	4	2	7
\$90.00-\$99.99 .....	( <sup>1</sup> )	1	-	1	( <sup>1</sup> )	1
\$100.00-\$124.99 .....	( <sup>1</sup> )	5	-	4	( <sup>1</sup> )	5
\$125.00-\$149.99 .....	( <sup>1</sup> )	5	-	4	( <sup>1</sup> )	6
\$150.00-\$174.99 .....	-	7	-	3	-	8
\$175.00-\$199.99 .....	-	6	-	7	-	6
\$200.00 or greater .....	-	20	-	33	-	17
Composite rate <sup>4</sup> .....	9	6	2	1	11	7
Amount varies by employee <sup>5</sup> .....	12	8	13	10	12	7
Amount varies by earnings .....	( <sup>1</sup> )	( <sup>1</sup> )	-	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )
Not determinable .....	10	16	21	21	8	15

See footnotes at end of table.

**Table 54. Medical care benefits: Percent of full-time participants in contributory plans<sup>1</sup> by type and amount of employee contribution, small private establishments, 1992—Continued**

Type and amount of contribution	All plans		Health maintenance organizations		Non-health maintenance organizations	
	Employee coverage	Family coverage <sup>2</sup>	Employee coverage	Family coverage <sup>2</sup>	Employee coverage	Family coverage <sup>2</sup>
<b>Clerical and sales</b>						
Total .....	100	100	100	100	100	100
Flat monthly amount .....	81	73	84	76	81	72
Less than \$5.00 .....	1	( <sup>3</sup> )	2	1	( <sup>3</sup> )	-
\$5.00-\$9.99 .....	2	( <sup>3</sup> )	4	-	2	( <sup>3</sup> )
\$10.00-\$14.99 .....	7	( <sup>3</sup> )	15	1	5	( <sup>3</sup> )
\$15.00-\$19.99 .....	8	1	11	-	8	1
\$20.00-\$29.99 .....	13	3	7	10	14	2
\$30.00-\$39.99 .....	16	2	10	4	17	2
\$40.00-\$49.99 .....	5	3	8	1	4	3
\$50.00-\$59.99 .....	4	2	4	1	4	2
\$60.00-\$69.99 .....	3	5	10	2	2	5
\$70.00-\$79.99 .....	3	2	3	2	3	2
\$80.00-\$89.99 .....	3	2	5	( <sup>3</sup> )	3	3
\$90.00-\$99.99 .....	1	2	-	2	1	2
\$100.00-\$124.99 .....	1	6	2	10	1	6
\$125.00-\$149.99 .....	( <sup>3</sup> )	6	-	1	( <sup>3</sup> )	7
\$150.00-\$174.99 .....	-	5	-	2	-	6
\$175.00-\$199.99 .....	-	5	-	6	-	5
\$200.00 or greater .....	-	18	-	29	-	16
Composite rate <sup>4</sup> .....	15	10	4	3	17	11
Amount varies by employee <sup>5</sup> .....	11	8	6	5	13	8
Amount varies by earnings .....	( <sup>3</sup> )	( <sup>3</sup> )	-	( <sup>3</sup> )	1	( <sup>3</sup> )
Not determinable .....	7	19	10	20	6	19
<b>Blue-collar and service</b>						
Total .....	100	100	100	100	100	100
Flat monthly amount .....	88	83	90	83	87	83
Less than \$5.00 .....	2	1	2	1	2	1
\$5.00-\$9.99 .....	2	-	1	-	2	-
\$10.00-\$14.99 .....	5	( <sup>3</sup> )	4	-	6	( <sup>3</sup> )
\$15.00-\$19.99 .....	8	( <sup>3</sup> )	10	-	7	( <sup>3</sup> )
\$20.00-\$29.99 .....	9	4	10	4	9	4
\$30.00-\$39.99 .....	12	3	8	1	13	3
\$40.00-\$49.99 .....	7	1	24	2	3	1
\$50.00-\$59.99 .....	11	3	3	-	13	3
\$60.00-\$69.99 .....	4	5	5	3	4	6
\$70.00-\$79.99 .....	5	3	12	2	3	3
\$80.00-\$89.99 .....	1	3	2	5	1	2
\$90.00-\$99.99 .....	( <sup>3</sup> )	3	-	3	( <sup>3</sup> )	3
\$100.00-\$124.99 .....	1	2	-	4	1	2
\$125.00-\$149.99 .....	-	5	-	3	-	6
\$150.00-\$174.99 .....	-	8	-	3	-	9
\$175.00-\$199.99 .....	-	8	-	5	-	8
\$200.00 or greater .....	-	20	-	40	-	16
Composite rate <sup>4</sup> .....	21	14	9	7	24	15
Amount varies by employee <sup>5</sup> .....	5	3	2	1	6	4
Amount varies by earnings .....	1	( <sup>3</sup> )	-	1	1	( <sup>3</sup> )
Not determinable .....	7	13	8	16	7	13

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

<sup>2</sup> If the amount of contribution varied by either size or composition of family, the rate for an employee with a spouse and one child was used. For a small percentage of employees, the employee contributes the same amount for single and family coverage.

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

<sup>4</sup> A composite rate is a set contribution covering more than one benefit area, for example, health care and sickness and accident insurance. Cost data for individual plans cannot be determined.

<sup>5</sup> Amount varies by options selected under a "cafeteria plan" or employer-sponsored reimbursement account.

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

**Table 55. Medical care benefits: Average monthly contribution of full-time participants in contributory plans, small private establishments, 1992**

Type of coverage	All participants	Professional, technical, and related participants	Clerical and sales participants	Blue-collar and service participants
<b>All plans</b>				
Employee coverage .....	\$36.51	\$35.04	\$35.97	\$37.76
Family coverage <sup>1</sup> .....	150.54	147.18	150.64	152.34
<b>Health maintenance organizations</b>				
Employee coverage .....	39.31	35.11	36.93	42.46
Family coverage <sup>1</sup> .....	168.31	175.08	152.66	176.14
<b>Non-health maintenance organizations</b>				
Employee coverage .....	35.74	35.02	35.72	36.18
Family coverage <sup>1</sup> .....	147.03	142.55	150.27	147.00

<sup>1</sup> If the amount of contribution varied by either size or composition of family, the rate for an employee with a spouse and one child was used.

**Table 56. Medical care benefits: Percent of full-time participants by requirement for employee contribution and type of provider, small private establishments, 1992**

Type and amount of contribution	All participants		Professional, technical, and related participants		Clerical and sales participants		Blue-collar and service participants	
	Employee coverage	Family coverage	Employee coverage	Family coverage	Employee coverage	Family coverage	Employee coverage	Family coverage
Health maintenance organizations .....	100	100	100	100	100	100	100	100
Non-contributory .....	38	22	36	15	35	20	40	27
Contributory .....	62	77	64	85	64	79	60	73
Not determinable .....	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	1	1
Non-health maintenance organizations .....	100	100	100	100	100	100	100	100
Non-contributory .....	55	28	54	22	53	26	58	33
Contributory .....	44	71	45	77	46	74	41	66
Not determinable .....	1	1	1	1	( <sup>1</sup> )	( <sup>1</sup> )	1	1

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

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

**Table 57. Medical care benefits<sup>1</sup>: Percent of full-time participants by provision for coverage after retirement, small private establishments, 1992**

Provision	All participants	Professional, technical, and related participants	Clerical and sales participants	Blue-collar and service participants
Total .....	100	100	100	100
With employer-financed retiree coverage <sup>2</sup> .....	18	19	20	16
For retirees under age 65 only ...	2	2	2	2
For retirees 65 and over only ....	( <sup>3</sup> )	( <sup>3</sup> )	1	( <sup>3</sup> )
For all retirees .....	16	17	17	14
Benefits cancelled on retirement or financed wholly by retiree .....	82	81	80	84
Data not available .....	( <sup>3</sup> )	( <sup>3</sup> )	( <sup>3</sup> )	( <sup>3</sup> )

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

<sup>2</sup> Includes plans financed wholly by employers and plans financed jointly by employers and employees.

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

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

**Table 58. Medical care benefits: Percent and dollar amount of health care expenses paid by the individual and the plan for selected services,<sup>1</sup> by type of plan, full-time employees in small private establishments, 1992**

Type of plan	Percentage paid			Dollars paid		
	Total	Individual	Plan	Total	Individual	Plan
Scenario 1: Total health care expenses = \$673						
All plans .....	100	50.1	49.9	\$673	\$337	\$336
Non-HMO .....	100	55.7	44.3	673	375	298
HMO .....	100	15.5	84.6	673	105	568
Scenario 2: Total health care expenses = \$7,085						
All plans .....	100	17.2	82.8	\$7,085	\$1,217	\$5,868
Non-HMO .....	100	19.1	80.9	7,085	1,353	5,732
HMO .....	100	5.4	94.6	7,085	382	6,705

<sup>1</sup> In scenario 1, a family of two had total health care expenses of \$673, consisting of 6 office visits (\$37 each), 3 lab tests (\$92 each), and 7 prescription drugs (\$25 each). In scenario 2, a family of four had total health care expenses of \$7,085, consisting of 8 office visits (\$37 each), 6

lab tests (\$92 each), 9 prescription drugs (\$25 each), a 6-day hospital confinement (\$342 per day for room and board and \$621 per day for ancillary charges), and 6 physicians in-hospital visits (\$39 each).

**Table 59. Dental care benefits: Percent of full-time participants in contributory stand-alone plans<sup>1</sup> by type and amount of employee contribution, small private establishments, 1992**

Type and amount of contribution	Employee coverage	Family coverage <sup>2</sup>	Type and amount of contribution	Employee coverage	Family coverage <sup>2</sup>
<b>All participants</b>			<b>Clerical and sales</b>		
Total .....	100	100	Total .....	100	100
Flat monthly amount .....	71	75	Flat monthly amount .....	71	74
Less than \$2.00 .....	2	-	Less than \$2.00 .....	3	-
\$2.00-\$4.99 .....	32	1	\$2.00-\$4.99 .....	22	1
\$5.00-\$9.99 .....	10	11	\$5.00-\$9.99 .....	9	7
\$10.00-\$14.99 .....	18	9	\$10.00-\$14.99 .....	26	8
\$15.00-\$19.99 .....	1	11	\$15.00-\$19.99 .....	( <sup>3</sup> )	4
\$20.00-\$24.99 .....	3	18	\$20.00-\$24.99 .....	6	23
\$25.00 or greater .....	-	22	\$25.00 or greater .....	-	27
Composite rate <sup>4</sup> .....	4	3	Composite rate <sup>4</sup> .....	4	3
Amount varies by employee <sup>5</sup> .....	21	12	Amount varies by employee <sup>5</sup> .....	21	14
Amount varies by earnings .....	1	1	Amount varies by earnings .....	2	1
Not determinable .....	8	13	Not determinable .....	6	12
<b>Professional, technical, and related</b>			<b>Blue-collar and service</b>		
Total .....	100	100	Total .....	100	100
Flat monthly amount .....	63	76	Flat monthly amount .....	75	76
Less than \$2.00 .....	2	-	Less than \$2.00 .....	1	-
\$2.00-\$4.99 .....	29	1	\$2.00-\$4.99 .....	47	2
\$5.00-\$9.99 .....	18	6	\$5.00-\$9.99 .....	6	23
\$10.00-\$14.99 .....	6	10	\$10.00-\$14.99 .....	17	10
\$15.00-\$19.99 .....	1	14	\$15.00-\$19.99 .....	2	16
\$20.00-\$24.99 .....	-	28	\$20.00-\$24.99 .....	-	2
\$25.00 or greater .....	-	16	\$25.00 or greater .....	-	21
Composite rate <sup>4</sup> .....	6	3	Composite rate <sup>4</sup> .....	3	2
Amount varies by employee <sup>5</sup> .....	27	12	Amount varies by employee <sup>5</sup> .....	16	9
Amount varies by earnings .....	1	( <sup>3</sup> )	Not determinable .....	9	15
Not determinable .....	9	11			

<sup>1</sup> Plans that exclusively provide dental benefits.

<sup>2</sup> If the amount of contribution varied by either size or composition of family, the rate for an employee with a spouse and one child was used. For a small percentage of employees, the employee contributes the same amount for single and family coverage.

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

<sup>4</sup> A composite rate is a set contribution covering more than one benefit

area, for example, health care and sickness and accident insurance. Cost data for individual plans cannot be determined.

<sup>5</sup> Amount varies by options selected under a "cafeteria plan" or employer-sponsored reimbursement account.

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

**Table 60. Dental care benefits: Percent of full-time participants by extent of coverage for selected procedures, small private establishments, 1992**

Extent of coverage	Type of dental procedure									
	Examina- tions	Dental X- rays	Fillings	Dental surgery <sup>1</sup>	Inlays	Crowns	Periodontal care	Endodon- tics	Prosthetics	Orthodon- tia <sup>2</sup>
<b>All participants</b>										
Total .....	100	100	100	100	100	100	100	100	100	100
Covered .....	100	100	99	100	92	96	96	100	96	81
Scheduled cash allowance .....	6	6	6	6	4	6	6	6	6	( <sup>3</sup> )
Incentive schedule <sup>4</sup> .....	( <sup>3</sup> )	( <sup>3</sup> )	( <sup>3</sup> )	( <sup>3</sup> )	( <sup>3</sup> )	( <sup>3</sup> )	( <sup>3</sup> )	( <sup>3</sup> )	( <sup>3</sup> )	( <sup>3</sup> )
Subject to copayment <sup>5</sup> .....	3	1	2	3	2	3	3	3	3	3
Percent of usual, customary, and reasonable charge .....	90	92	90	89	84	85	85	89	85	57
Less than 50 .....	( <sup>3</sup> )	( <sup>3</sup> )	( <sup>3</sup> )	( <sup>3</sup> )	( <sup>3</sup> )	( <sup>3</sup> )	( <sup>3</sup> )	( <sup>3</sup> )	( <sup>3</sup> )	( <sup>3</sup> )
50 .....	( <sup>3</sup> )	1	11	12	63	65	16	14	66	48
60 .....	-	-	1	3	7	7	3	( <sup>3</sup> )	7	3
61-74 .....	1	1	1	1	1	1	2	2	1	1
75 .....	( <sup>3</sup> )	( <sup>3</sup> )	2	2	1	1	1	1	1	( <sup>3</sup> )
80 .....	17	20	57	57	10	9	53	56	9	2
85 .....	( <sup>3</sup> )	2	5	4	( <sup>3</sup> )	( <sup>3</sup> )	4	6	-	-
90 .....	2	2	3	3	1	1	2	2	( <sup>3</sup> )	( <sup>3</sup> )
91-99 .....	( <sup>3</sup> )	( <sup>3</sup> )	( <sup>3</sup> )	( <sup>3</sup> )	( <sup>3</sup> )	( <sup>3</sup> )	( <sup>3</sup> )	( <sup>3</sup> )	-	-
100 <sup>6</sup> .....	69	65	9	7	1	1	3	6	1	3
Discounted benefit <sup>7</sup> .....	( <sup>3</sup> )	( <sup>3</sup> )	1	1	1	1	1	1	1	1
Subject to overall plan provisions only <sup>8</sup> .....	1	1	( <sup>3</sup> )	( <sup>3</sup> )	( <sup>3</sup> )	( <sup>3</sup> )	( <sup>3</sup> )	( <sup>3</sup> )	( <sup>3</sup> )	-
Not covered .....	-	( <sup>3</sup> )	1	( <sup>3</sup> )	8	4	4	( <sup>3</sup> )	4	39
Not determinable .....	-	-	-	-	( <sup>3</sup> )	-	-	-	-	-
<b>Professional, technical, and related</b>										
Total .....	100	100	100	100	100	100	100	100	100	100
Covered .....	100	100	99	99	94	96	96	99	96	64
Scheduled cash allowance .....	3	2	3	3	2	3	3	3	3	1
Incentive schedule <sup>4</sup> .....	( <sup>3</sup> )	( <sup>3</sup> )	( <sup>3</sup> )	( <sup>3</sup> )	( <sup>3</sup> )	( <sup>3</sup> )	( <sup>3</sup> )	( <sup>3</sup> )	( <sup>3</sup> )	( <sup>3</sup> )
Subject to copayment <sup>5</sup> .....	2	1	2	2	2	2	2	2	2	2
Percent of usual, customary, and reasonable charge .....	94	95	94	93	89	91	91	93	91	61
Less than 50 .....	( <sup>3</sup> )	( <sup>3</sup> )	( <sup>3</sup> )	( <sup>3</sup> )	( <sup>3</sup> )	( <sup>3</sup> )	( <sup>3</sup> )	( <sup>3</sup> )	( <sup>3</sup> )	( <sup>3</sup> )
50 .....	( <sup>3</sup> )	1	15	17	70	73	23	19	74	55
60 .....	-	-	1	1	6	6	1	( <sup>3</sup> )	6	2
61-74 .....	1	1	1	1	1	1	1	1	1	( <sup>3</sup> )
75 .....	( <sup>3</sup> )	( <sup>3</sup> )	2	2	1	1	2	2	1	( <sup>3</sup> )
80 .....	16	18	60	60	11	11	54	58	8	2
85 .....	-	( <sup>3</sup> )	3	3	-	-	4	4	-	-
90 .....	1	1	4	4	( <sup>3</sup> )	( <sup>3</sup> )	3	3	( <sup>3</sup> )	-
100 <sup>6</sup> .....	77	74	8	6	( <sup>3</sup> )	( <sup>3</sup> )	2	6	( <sup>3</sup> )	1
Discounted benefit <sup>7</sup> .....	-	-	( <sup>3</sup> )	( <sup>3</sup> )	( <sup>3</sup> )	( <sup>3</sup> )	( <sup>3</sup> )	( <sup>3</sup> )	( <sup>3</sup> )	( <sup>3</sup> )
Subject to overall plan provisions only <sup>8</sup> .....	1	1	-	-	-	-	-	-	-	-
Not covered .....	-	( <sup>3</sup> )	1	1	6	4	4	1	4	36

See footnotes at end of table.

**Table 60. Dental care benefits: Percent of full-time participants by extent of coverage for selected procedures, small private establishments, 1992—Continued**

Extent of coverage	Type of dental procedure									
	Examina- tions	Dental X- rays	Fillings	Dental surgery <sup>1</sup>	Inlays	Crowns	Periodontal care	Endodon- tics	Prosthetics	Orthodon- tia <sup>2</sup>
<b>Clerical and sales</b>										
Total .....	100	100	100	100	100	100	100	100	100	100
Covered .....	100	100	99	99	95	98	97	99	96	64
Scheduled cash allowance .....	6	6	5	6	5	6	6	5	6	1
Incentive schedule <sup>4</sup> .....	1	1	1	1	1	1	1	1	( <sup>3</sup> )	( <sup>3</sup> )
Subject to copayment <sup>5</sup> .....	2	1	2	2	2	2	2	2	2	3
Percent of usual, customary, and reasonable charge .....	90	91	90	89	86	86	87	89	86	60
Less than 50 .....	( <sup>3</sup> )	( <sup>3</sup> )	( <sup>3</sup> )	( <sup>3</sup> )	( <sup>3</sup> )	( <sup>3</sup> )	( <sup>3</sup> )	( <sup>3</sup> )	( <sup>3</sup> )	( <sup>3</sup> )
50 .....	( <sup>3</sup> )	1	11	12	67	67	15	13	69	53
60 .....	-	-	1	2	6	6	2	( <sup>3</sup> )	5	3
61-74 .....	1	1	2	2	1	1	2	2	1	1
75 .....	( <sup>3</sup> )	( <sup>3</sup> )	1	1	( <sup>3</sup> )	( <sup>3</sup> )	1	1	( <sup>3</sup> )	( <sup>3</sup> )
80 .....	15	19	62	62	10	10	58	62	9	1
85 .....	-	2	5	4	( <sup>3</sup> )	( <sup>3</sup> )	4	5	-	-
90 .....	3	3	1	1	( <sup>3</sup> )	( <sup>3</sup> )	1	1	( <sup>3</sup> )	( <sup>3</sup> )
100 <sup>6</sup> .....	72	67	7	5	1	1	3	4	1	2
Discounted benefit <sup>7</sup> .....	( <sup>3</sup> )	( <sup>3</sup> )	1	2	2	2	2	2	2	1
Subject to overall plan provisions only <sup>8</sup> .....	1	1	( <sup>3</sup> )	( <sup>3</sup> )	( <sup>3</sup> )	( <sup>3</sup> )	( <sup>3</sup> )	( <sup>3</sup> )	( <sup>3</sup> )	-
Not covered .....	-	( <sup>3</sup> )	1	1	5	4	3	1	4	36
Not determinable .....	-	-	-	-	( <sup>3</sup> )	-	-	-	-	-
<b>Blue-collar and service</b>										
Total .....	100	100	100	100	100	100	100	100	100	100
Covered .....	100	100	100	100	88	95	95	100	95	57
Scheduled cash allowance .....	8	8	8	8	5	8	8	8	8	-
Subject to copayment <sup>5</sup> .....	4	2	3	4	3	5	4	4	5	4
Percent of usual, customary, and reasonable charge .....	88	90	87	86	78	81	81	86	81	53
Less than 50 .....	-	-	-	-	( <sup>3</sup> )	( <sup>3</sup> )	-	-	( <sup>3</sup> )	( <sup>3</sup> )
50 .....	( <sup>3</sup> )	1	9	10	56	59	14	12	58	41
60 .....	-	-	2	6	8	8	5	1	8	3
61-74 .....	1	1	1	1	1	1	2	2	( <sup>3</sup> )	1
75 .....	( <sup>3</sup> )	( <sup>3</sup> )	2	2	1	1	2	2	1	( <sup>3</sup> )
80 .....	20	23	51	51	8	8	48	50	10	3
85 .....	( <sup>3</sup> )	4	7	4	( <sup>3</sup> )	( <sup>3</sup> )	4	8	-	-
90 .....	2	3	3	3	1	1	2	2	1	( <sup>3</sup> )
91-99 .....	( <sup>3</sup> )	( <sup>3</sup> )	( <sup>3</sup> )	( <sup>3</sup> )	( <sup>3</sup> )	( <sup>3</sup> )	( <sup>3</sup> )	( <sup>3</sup> )	-	-
100 <sup>6</sup> .....	63	57	12	9	2	2	4	9	2	5
Discounted benefit <sup>7</sup> .....	-	-	1	2	2	2	2	2	2	( <sup>3</sup> )
Not covered .....	-	( <sup>3</sup> )	( <sup>3</sup> )	( <sup>3</sup> )	11	5	5	( <sup>3</sup> )	5	43
Not determinable .....	-	-	-	-	1	-	-	-	-	-

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

<sup>2</sup> Participants were included as having coverage for orthodontia in cases where benefits were limited to children.

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

<sup>4</sup> Reimbursement arrangement in which the percentage of dental expenses paid by the plan increases if regular dental appointments are scheduled.

<sup>5</sup> Participant pays a specific amount per procedure and plan pays all remaining expenses. In the case of orthodontia, the copayment is generally

applied once per lifetime.

<sup>6</sup> Includes plans that paid the full cost and plans that paid 100 percent of charges, but imposed a deductible and limited payment to a maximum dollar amount.

<sup>7</sup> Benefits provided at a discount if obtained from an approved provider.

<sup>8</sup> Reimbursement arrangement is the coinsurance provision used for all covered expenses under the plan.

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



**Table 61. Dental care benefits: Percent of full-time participants by deductible provision,<sup>1</sup> small private establishments, 1992**

Type of deductible <sup>2</sup>	All participants	Professional, technical, and related participants	Clerical and sales participants	Blue-collar and service participants
Total .....	100	100	100	100
Subject to separate dental deductible <sup>3</sup> .....	65	64	72	60
Yearly deductible only .....	62	60	69	57
Under \$25 .....	1	( <sup>4</sup> )	( <sup>4</sup> )	2
\$25 .....	12	14	13	10
\$26-\$49 .....	1	( <sup>4</sup> )	1	1
\$50 .....	41	40	44	40
\$51-\$99 .....	3	3	5	3
\$100 .....	2	2	3	1
Over \$100 .....	1	1	3	( <sup>4</sup> )
Lifetime deductible only .....	1	( <sup>4</sup> )	1	( <sup>4</sup> )
\$50 .....	( <sup>4</sup> )	( <sup>4</sup> )	( <sup>4</sup> )	( <sup>4</sup> )
Over \$50 .....	( <sup>4</sup> )	( <sup>4</sup> )	1	( <sup>4</sup> )
Both yearly and lifetime deductibles .....	3	4	2	2
Subject to overall plan deductible ....	1	2	1	1
No deductible .....	33	34	26	39

<sup>1</sup> Excludes separate deductibles for orthodontic procedures.  
<sup>2</sup> Amount of deductible described is for each insured person. In some plans, the individual and family deductibles are identical.  
<sup>3</sup> Deductibles may not apply to all covered dental procedures. If separate deductibles applied to different procedures, the sum of the deductible amounts was tabulated.  
<sup>4</sup> Less than 0.5 percent.

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

**Table 63. Dental care benefits: Percent of full-time participants in plans with orthodontic benefits by lifetime maximum amount of coverage, small private establishments, 1992**

Dollar amount <sup>1</sup>	All participants	Professional, technical, and related participants	Clerical and sales participants	Blue-collar and service participants
Total .....	100	100	100	100
Lifetime maximum specified .....	85	91	87	79
Less than \$500 .....	( <sup>2</sup> )	-	( <sup>2</sup> )	( <sup>2</sup> )
\$500 .....	7	8	5	9
\$501-\$749 .....	2	3	1	4
\$750 .....	8	8	10	7
\$751-\$999 .....	1	1	2	1
\$1,000 .....	43	34	45	46
\$1,001-\$1,499 .....	2	2	2	4
\$1,500 .....	17	30	19	6
Greater than \$1,500 .....	4	5	4	3
No lifetime maximum .....	15	9	13	21
Average lifetime maximum .....	\$1,078	\$1,154	\$1,103	\$995

<sup>1</sup> Coverage for orthodontia procedures may also be subject to scheduled allowance, deductible, or coinsurance provisions in addition to maximum dollar limitations.  
<sup>2</sup> Less than 0.5 percent.

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

**Table 62. Dental care benefits: Percent of full-time participants by yearly maximum amount of coverage,<sup>1</sup> small private establishments, 1992**

Dollar amount <sup>2</sup>	All participants	Professional, technical, and related participants	Clerical and sales participants	Blue-collar and service participants
Total .....	100	100	100	100
Yearly maximum specified <sup>2</sup> .....	84	81	85	85
Less than \$500 .....	3	2	1	6
\$500 .....	3	2	3	4
\$501-\$749 .....	1	( <sup>4</sup> )	1	( <sup>4</sup> )
\$750 .....	6	2	4	9
\$751-\$999 .....	( <sup>4</sup> )	-	( <sup>4</sup> )	1
\$1,000 .....	48	46	51	45
\$1,001-\$1,499 .....	3	2	3	4
\$1,500 .....	15	20	14	14
\$1,501-\$1,999 .....	( <sup>4</sup> )	( <sup>4</sup> )	( <sup>4</sup> )	( <sup>4</sup> )
\$2,000 .....	4	5	6	3
Greater than \$2,000 .....	1	1	1	1
No yearly maximum .....	16	19	15	15
Average yearly maximum .....	\$1,105	\$1,165	\$1,143	\$1,039

<sup>1</sup> Includes all covered dental procedures except orthodontia. Amount of maximum specified is for each insured person.  
<sup>2</sup> Coverage for dental procedures may also be subject to scheduled allowance, deductible, or coinsurance provisions in addition to maximum dollar limitations.  
<sup>3</sup> If separate yearly maximums applied to different procedures, the sum of the maximums was tabulated. Maximums applied to dental expenses only.  
<sup>4</sup> Less than 0.5 percent.

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

**Table 64. Dental care benefits: Percent of full-time participants in plans with dental benefits by provision for preauthorization of treatment, small private establishments, 1992**

Item	All participants	Professional, technical, and related participants	Clerical and sales participants	Blue-collar and service participants
Total .....	100	100	100	100
Preauthorization required .....	57	58	63	53
Minimum expense requiring preauthorization				
Less than \$100 .....	( <sup>1</sup> )	( <sup>1</sup> )	-	( <sup>1</sup> )
\$100 .....	8	12	11	4
\$101 - \$199 .....	7	3	9	8
\$200 .....	20	23	23	17
Greater than \$200 .....	14	16	17	11
Dollar amount not determinable ....	8	4	4	12
Preauthorization not required .....	43	42	37	47

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

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

**Table 65. Vision care benefits: Percent of full-time employees with care and percent of participants with coverage for selected services, small private establishments, 1992**

Item	All participants	Professional, technical, and related participants	Clerical and sales participants	Blue-collar and service participants
Total with vision care benefits .....	10	9	10	10
<b>Vision care participants</b>				
Total .....	100	100	100	100
Eye examinations .....	97	93	97	98
Eyeglasses .....	100	100	100	100
Contact lenses .....	76	73	75	78

## Chapter 5. Life Insurance

This chapter presents details of employer-provided life insurance protection, including the methods used to provide basic life insurance, the effect that age and retirement have on insurance, and the availability and amount of coverage for an employee's dependents<sup>31</sup>. The prevalence of such related coverages as accidental death and dismemberment insurance, survivor income benefits, and supplemental life insurance are also examined.

Life insurance was provided to just under two-thirds of all full-time employees in small private establishments in 1992 (tables 66-73). Among workers with life insurance:

- 61 percent were covered by a flat dollar amount formula, commonly between \$10,000 and \$14,999;
- 17 percent were required to contribute toward the cost of coverage;
- 25 percent were in plans that continued coverage after retirement;
- 39 percent had dependent life insurance protection available.

Generally, the cost of basic life insurance in small private establishments was paid entirely by the employer. Where employee contributions were required, the majority were stated as a composite rate, that is, a set contribution covering more than one benefit. Cost data for individual plans that make up this rate could not be separated, such as plans providing coverage for health and life insurance at one monthly rate of \$30. The next most common method of specifying employee contributions was a flat amount based on coverage, for example, 30 cents per \$1,000 of coverage per month.

### Types and amounts of benefit formulas

The most prevalent method for determining basic life insurance was a flat dollar amount of coverage. Such coverage was provided to three-fifths of life insurance plan participants. This type of life insurance was more prevalent for blue-collar and service participants than among the other two occupational groups. The average flat-dollar amount of life insurance coverage was highest for professional, technical, and related participants (\$20,352); clerical and sales participants averaged \$14,801; and blue-collar and service participants averaged \$12,860.

<sup>31</sup> For a detailed examination of the history of employer-provided life insurance see Michael Bucci, "Growth of Employer-sponsored Group Life Insurance," *Monthly Labor Review*, October 1991, pp. 25-32. Also, for a summary of life insurance benefits in the 1990 survey of small private establishments and government, see Glenn M. Grossman, "Life Insurance Benefits in Small Establishments and Government," Research Summary, *Monthly Labor Review*, October 1992, pp. 33-34.

Insurance protection of between \$10,000 and \$14,999 accounted for two-fifths of participants in plans specifying a flat dollar amount of insurance. A small percent of participants in such plans had coverage of \$50,000 or more; white-collar workers, especially professional, technical, and related workers, more often had these larger benefits.

Nearly two-fifths of full-time participants in small private establishments were provided basic life insurance coverage linked to their pay. Coverage of this type provides participants with a level of protection that increases automatically with a rise in pay. Such formulas were much more prevalent among white-collar workers than among blue-collar and service workers. The most common method of tying life insurance to pay was to multiply the employee's annual salary by a factor of 1 or 2 and round the product to the next \$1,000. For example, an employee whose annual pay was \$32,700 would receive \$66,000 of coverage under a plan with a factor of 2 (\$32,700 times 2 equals \$65,400, which is rounded up to \$66,000).

The average multiple-of-pay benefit formula was 1.5 times pay with the average being somewhat higher for white-collar workers (1.6 times pay) than for blue-collar and service workers (1.3 times pay). Nearly half of all participants in these plans had insurance equal to their annual pay. Three in 10 had coverage equal to twice their annual pay.

Two-thirds of the full-time participants covered by multiple-of-pay plans in small private establishments had limits placed on the amount of life insurance available. The most prevalent limits observed were between \$50,000 and \$499,999. A small number of participants had limits of \$1,000,000 or more.

In addition to data on specific benefit formulas, survey data were used in 1990 to compute average life insurance benefit amounts, based on assumed earnings levels. (The averages are not yet available using 1992 data.) For the participants in each life insurance plan, a dollar amount of benefit was computed. These benefits were then averaged and weighted by current participation. For participants with assumed annual earnings of \$35,000, the average available life insurance was just over \$30,000.<sup>32</sup> The average benefit at this earnings level was highest for professional, technical, and related employees (\$42,000) and lowest for blue-collar and service employees (\$20,000).

Expected life insurance benefits increase as annual earnings increase because of the presence of plans linked to earnings. For workers with assumed earnings of \$55,000, the av-

<sup>32</sup> For further details on these life insurance calculations, see Adam Z. Bellet, "Employer-sponsored Life Insurance: A New Look," *Monthly Labor Review*, October 1989, pp. 25-28

verage benefit for for all participants was \$40,000. Although the average benefit increased with earnings for all occupational groups, white-collar employees had the greatest increases. This results from the greater prevalence of earnings-based life insurance benefits, which kept pace with rising earnings, among these employees.

### Coverage for older active workers and retirees

One-third of participants were in plans where older active workers faced reduced benefits. Coverage is reduced to account for the increased cost of insuring older workers.<sup>33</sup> Of the participants whose plans reduced coverage, it was most common to have the first reduction at age 65. Others would experience reductions beginning at age 70. It was not common for reductions to occur before age 65.

Many plans reduced coverage for older workers only once, typically to 50 percent of the original life insurance amount. Other plans reduced coverage in several stages. One common provision was to reduce coverage to 65 percent at age 65, then to 50 percent at age 70.

Basic life insurance coverage continued after retirement for one-fourth of the full-time participants in small private establishments in 1992. This coverage almost always continued for the remainder of the retiree's life, but the amount of the benefit was usually reduced at least once during retirement.<sup>34</sup>

### Related protection

Accidental death and dismemberment (AD&D) insurance was available to three-fourths of the life insurance plan participants. This insurance provides additional benefits if a worker dies or loses an eye or a limb in an accident. For virtually all of these workers, the AD&D benefit equaled the basic life insurance benefit for accidental death, and a portion of that benefit for dismemberment.<sup>35</sup>

<sup>33</sup> Details on life insurance benefits for older workers are discussed in Stephanie Hyland, "Age-related Reductions in Life Insurance Benefits," *Monthly Labor Review*, February 1991, pp. 36-38.

<sup>34</sup> For more information on retiree life insurance, see Margaret Simons and Cynthia Thompson, "Life Insurance Benefits for Retired Workers," *Monthly Labor Review*, September 1990, pp. 17-21.

<sup>35</sup> For more information on accidental death and dismemberment benefits, see Cynthia Thompson, "Compensation For Death and Dismemberment," *Monthly Labor Review*, September 1989, pp. 13-17.

Benefits supplementing basic life insurance coverage were available to 3 out of 10 participants. Almost without exception, these employees were required to pay the full premium for such benefits. The typical supplemental plan provided term life insurance in multiples of 1-to 3-times annual pay, at the employee's option. Supplemental coverage was considerably more prevalent for employees who had their basic insurance determined by a multiple-of-pay formula than those with a flat-dollar amount of coverage.

Life insurance coverage for dependents was available to two-fifths of participants. Of these, half were required to pay the entire premium to obtain coverage while the other half had either joint employee-employer or entirely employer paid coverage. Dependent coverage was most often a flat dollar benefit. In 1992, such plans averaged \$4,611 for spouse coverage and \$2,169 for children. Dependent coverage based on a flat dollar amount was more common for blue-collar and service participants than the other occupational groups. However, the average flat dollar amount for dependent coverage was lower for blue-collar workers than for other workers. In other plans, the employee often had the option to select specific benefits.

Plans providing a monthly income to surviving members of an employee's family were rare. These survivor income benefits were in addition to other benefits, such as basic life insurance and survivor pension benefits. Survivor income payments were generally a percentage of the employee's pay or a flat dollar amount. Benefits usually continued for 24 months, although some continued until a specific event occurred, such as the surviving spouse remarrying or reaching age 65, or surviving children reaching a given age.<sup>36</sup>

### Service requirements

Two-fifths of all life insurance participants were required to work a minimum period to qualify for the plan. The most common service requirement for such workers was 3 months, followed closely by 1 month. About one-third of participants had a service requirement that could not be determined. The reader is cautioned to keep in mind the high rate of not determinable service requirements when interpreting these data.

<sup>36</sup> For more information on survivor benefits, see David Ott, "Employer-provided Survivor Benefits," *Monthly Labor Review*, June 1991, pp. 13-18.

**Table 66. Life Insurance: Percent of full-time participants by method of determining amount of basic life insurance and frequency of related coverages, small private establishments, 1992**

Item	All participants	Professional, technical, and related participants	Clerical and sales participants	Blue-collar and service participants
Total .....	100	100	100	100
Basic life insurance <sup>1</sup> .....	99	98	98	99
Based on earnings .....	37	46	44	25
Multiple <sup>2</sup> .....	34	45	43	21
Graduated schedule .....	3	2	1	4
Flat amount .....	61	51	54	73
Flat amount based on service .....	1	( <sup>3</sup> )	( <sup>3</sup> )	1
With accidental death and dismemberment coverage .....	76	81	75	74
With survivor income benefit <sup>4</sup> .....	1	1	( <sup>3</sup> )	1
Supplemental benefits available .....	31	36	35	26
Wholly employee paid .....	29	33	32	24
With dependent coverage .....	39	39	40	39
Wholly employee paid .....	20	25	24	15

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

<sup>2</sup> Includes participants in plans in which insurance equaled a multiple of earnings, plus or minus a specific amount.

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

<sup>4</sup> Consists of monthly income, usually a percent of earnings, for the spouse or dependent children for a specified period after death of employee.

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

**Table 67. Life insurance: Percent of full-time participants in plans with multiple-of-earnings formulas<sup>1</sup> by amount of basic insurance and maximum coverage provisions, small private establishments, 1992**

Formula	Total	In plans without maximum coverage	In plans with maximum coverage							Maximum coverage varies by earnings	Not determinable
			All	Less than \$50,000	\$50,000-\$99,999	\$100,000-\$249,999	\$250,000-\$499,999	\$500,000-\$999,999	\$1,000,000 or more		
<b>All participants</b>											
Total .....	100	21	68	1	17	19	20	6	4	(9)	11
Life insurance is equal to annual earnings times: <sup>2</sup>											
Less than 1.0 .....	1	(9)	1	-	(9)	(9)	-	-	1	-	-
1.0 .....	47	12	29	1	12	9	3	1	2	(9)	7
1.5 .....	11	4	6	(9)	3	1	1	(9)	(9)	-	1
1.6-1.9 .....	(9)	-	(9)	-	-	-	(9)	(9)	(9)	-	-
2.0 .....	31	4	26	(9)	2	7	12	4	(9)	(9)	2
2.5 .....	5	(9)	4	-	(9)	1	3	(9)	(9)	-	(9)
3.0 .....	3	1	1	-	-	1	(9)	(9)	(9)	-	(9)
More than 3.0 .....	1	1	1	-	-	-	(9)	(9)	(9)	-	1
Multiple varying with earnings .....	1	-	1	-	(9)	(9)	(9)	(9)	-	-	-
<b>Professional, technical, and related</b>											
Total .....	100	22	70	1	16	18	26	4	5	(9)	8
Life insurance is equal to annual earnings times: <sup>2</sup>											
Less than 1.0 .....	3	-	3	-	1	(9)	-	-	1	-	-
1.0 .....	39	11	23	(9)	11	7	3	1	1	(9)	5
1.5 .....	10	3	5	(9)	1	3	1	(9)	(9)	-	2
1.6-1.9 .....	(9)	-	(9)	-	-	-	(9)	-	(9)	-	-
2.0 .....	41	5	34	(9)	3	7	21	2	(9)	(9)	1
2.5 .....	2	1	1	-	(9)	(9)	(9)	1	(9)	-	(9)
3.0 .....	3	1	2	-	-	1	(9)	1	(9)	-	(9)
More than 3.0 .....	2	1	1	-	-	-	(9)	(9)	(9)	-	(9)
Multiple varying with earnings .....	1	-	1	-	(9)	(9)	(9)	(9)	-	-	-
<b>Clerical and sales</b>											
Total .....	100	18	69	1	15	19	23	7	5	(9)	13
Life insurance is equal to annual earnings times: <sup>2</sup>											
Less than 1.0 .....	1	-	1	-	(9)	(9)	-	-	(9)	-	-
1.0 .....	45	10	28	(9)	11	8	4	1	3	(9)	7
1.5 .....	10	4	4	(9)	2	1	(9)	1	(9)	-	2
2.0 .....	31	3	26	-	1	7	12	4	2	-	3
2.5 .....	9	(9)	8	-	(9)	2	6	(9)	(9)	-	(9)
3.0 .....	3	1	1	-	-	1	(9)	(9)	(9)	-	1
More than 3.0 .....	1	(9)	1	-	-	-	(9)	(9)	(9)	-	-
Multiple varying with earnings .....	1	-	1	-	-	(9)	(9)	(9)	-	-	-

See footnotes at end of table.

**Table 67. Life insurance: Percent of full-time participants in plans with multiple-of-earnings formulas<sup>1</sup> by amount of basic insurance and maximum coverage provisions, small private establishments, 1992—Continued**

Formula	Total	In plans without maximum coverage	In plans with maximum coverage							Not determinable	
			All	Less than \$50,000	\$50,000-\$99,999	\$100,000-\$249,999	\$250,000-\$499,999	\$500,000-\$999,999	\$1,000,000 or more		Maximum coverage varies by earnings
<b>Blue-collar and service</b>											
Total .....	100	24	65	4	23	21	8	8	2	( <sup>2</sup> )	10
Life insurance is equal to annual earnings times: <sup>3</sup>											
Less than 1.0 .....	1	( <sup>2</sup> )	( <sup>2</sup> )	-	( <sup>2</sup> )	-	-	-	( <sup>2</sup> )	-	-
1.0 .....	61	15	36	3	15	13	3	1	1	-	10
1.5 .....	14	5	9	1	6	( <sup>2</sup> )	1	1	-	-	-
2.0 .....	22	3	18	( <sup>2</sup> )	1	7	3	6	( <sup>2</sup> )	( <sup>2</sup> )	1
2.5 .....	1	( <sup>2</sup> )	1	-	( <sup>2</sup> )	( <sup>2</sup> )	1	-	-	-	( <sup>2</sup> )
3.0 .....	1	( <sup>2</sup> )	( <sup>2</sup> )	-	-	( <sup>2</sup> )	-	( <sup>2</sup> )	-	-	-
Multiple varying with earnings .....	1	-	1	-	1	( <sup>2</sup> )	-	-	-	-	-

<sup>1</sup> Includes participants in plans in which insurance equaled a multiple of earnings, plus or minus a specific amount. In such cases, only the multiple of earnings was included in the tabulation.

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

<sup>3</sup> When the multiple-of-earnings formula varied with age, the maximum multiple was tabulated. A few plans varied the multiple-of-earnings for-

mula according to service; in these cases, a participant was assumed to have 15 years of service.

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

**Table 68. Life insurance: Percent of full-time participants in plans with flat dollar insurance<sup>1</sup> by amount of basic insurance, small private establishments, 1992**

Amount of insurance	All participants	Professional, technical, and related participants	Clerical and sales participants	Blue-collar and service participants
Total .....	100	100	100	100
Less than \$2,000 .....	1	( <sup>2</sup> )	1	1
\$2,000-\$4,999 .....	4	1	4	5
\$5,000-\$9,999 .....	13	6	13	16
\$10,000-\$14,999 .....	42	43	41	42
\$15,000-\$19,999 .....	16	15	19	15
\$20,000-\$24,999 .....	13	13	11	13
\$25,000-\$29,999 .....	6	8	5	5
\$30,000-\$34,999 .....	1	3	1	1
\$35,000-\$39,999 .....	( <sup>2</sup> )	-	1	( <sup>2</sup> )
\$40,000-\$44,999 .....	( <sup>2</sup> )	1	( <sup>2</sup> )	-
\$50,000-\$54,999 .....	2	4	2	1
\$55,000 and over .....	2	4	2	1
Average flat dollar amount .....	\$14,843	\$20,352	\$14,801	\$12,860

<sup>1</sup> Excludes participants in plans where insurance was a flat amount based on service.

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

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

**Table 69. Life insurance: Average benefit amounts for full-time participants by specified annual earnings, small private establishments, 1990**

Annual earnings	All participants	Professional, technical, and related participants	Clerical and sales participants	Blue-collar and service participants
\$25,000 .....	\$24,825	\$34,786	\$27,788	\$17,307
\$35,000 .....	30,432	42,019	35,998	20,439
\$45,000 .....	35,623	49,021	42,527	23,100
\$55,000 .....	40,411	55,000	49,179	25,745

**Table 70. Life insurance: Percent of full-time participants in basic life insurance plans by effect of retirement on coverage, small private establishments, 1992**

Effect of retirement	All participants	Professional, technical, and related participants	Clerical and sales participants	Blue-collar and service participants
Total .....	100	100	100	100
Insurance continues <sup>1</sup> .....	25	23	31	22
Insurance discontinued immediately .....	72	74	67	75
Not determinable .....	2	3	2	2

<sup>1</sup> Includes plans in which coverage is fully paid by retiree.

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

**Table 71. Life Insurance: Percent of full-time participants with accidental death and dismemberment insurance by amount of benefit, small private establishments, 1992**

Item	All participants	Professional, technical, and related participants	Clerical and sales participants	Blue-collar and service participants
Total .....	100	100	100	100
Multiple of life insurance benefit .....	95	96	96	95
Less than 1 times .....	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )
1 times .....	94	95	94	94
1.1 - 1.9 times .....	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )
2 times .....	1	( <sup>1</sup> )	1	1
Flat amount .....	4	3	3	4
Multiple of earnings .....	1	1	1	1
Other .....	( <sup>1</sup> )	( <sup>1</sup> )	1	( <sup>1</sup> )

<sup>1</sup> Benefits shown are payable for accidental death and are the maximum payable for dismemberment.

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

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

**Table 72. Life Insurance: Percent of full-time participants in plans with multiple of earnings and flat dollar amounts of insurance by availability of supplemental benefits, small private establishments, 1992**

Item	All participants	Professional, technical, and related participants	Clerical and sales participants	Blue-collar and service participants
Multiple of earnings .....	100	100	100	100
With supplemental benefits .....	50	48	53	48
Without supplemental benefits .....	49	52	46	52
Data not available .....	( <sup>1</sup> )	( <sup>1</sup> )	1	( <sup>1</sup> )
Flat amount .....	100	100	100	100
With supplemental benefits .....	19	27	21	16
Without supplemental benefits .....	79	71	78	83
Data not available .....	2	2	1	2

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

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

**Table 73. Life Insurance: Percent of full-time participants by length-of-service requirements for participation,<sup>1</sup> small private establishments, 1992**

Length-of-service requirement	All participants	Professional, technical, and related participants	Clerical and sales participants	Blue-collar and service participants
Total .....	100	100	100	100
With service requirement .....	39	35	39	42
1 month .....	14	16	16	13
2 months .....	4	4	2	4
3 months .....	16	12	15	18
4-5 months .....	1	( <sup>1</sup> )	2	1
6 months .....	3	1	3	4
1 year or greater .....	1	2	1	1
Without service requirement .....	24	28	27	20
Service requirement not determinable .....	36	37	34	38
Not applicable - plan not available to new employees .....	( <sup>1</sup> )	-	-	( <sup>1</sup> )

<sup>1</sup> Length of time employees must be on the job before they are covered by a plan that is at least partially employer financed. There is frequently an administrative time lag between completion of the requirement and the actual start of participation. If the lag was 1 month or more, it was included in the service requirement. Minimum age requirements are rare.

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

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



# Chapter 6. Defined Benefit Pension and Defined Contribution Plans

Forty-seven percent of full-time employees in the small establishment survey had retirement and capital accumulation plans in 1992 through defined benefit or defined contribution plans (table 74). Defined benefit pension plans use predetermined formulas to calculate a retirement benefit, and obligate the employer to provide those benefits. Benefits generally are based on salary, years of service, or both.

Defined contribution plans typically specify the level of employer and employee contributions to a plan, but not the formula for determining eventual benefits as in a defined benefit pension plan. Instead, individual accounts are set up for participants, and benefits are based on amounts credited to these accounts, plus investment earnings. The risk of fluctuation in investment earnings, however, is borne by the employee.

In the Bureau's second survey of small establishments, major findings include:

- Defined contribution plans were the most prevalent retirement and capital accumulation vehicle, covering one-third of the full-time employees; defined benefit pension plans covered one-fifth of the full-time employees;
- Most participants in retirement and capital accumulation plans were enrolled in only one plan; participants in savings and thrift plans were most likely to have another retirement or capital accumulation plan available to them (table 75);
- Approximately 9 of 10 defined contribution plans were used for retirement purposes; the most commonly available plans were deferred profit-sharing and savings and thrift plans;
- The most often used method of computing defined benefit pension plans was a terminal earnings formula, which based benefits on average earnings during the last few years before retirement;
- Three-fourths of pension plan participants could retire at age 55 or earlier, although typically with benefits reduced to account for receipt of benefit payments over a longer period of time;
- Nearly one-fourth of the full-time employees were covered by a 401(k) plan, usually in the form of a salary reduction plan.

## Defined Benefit Pension Plans

In 1992, one-fifth of full-time employees in small establishments—approximately 7 million employees—participated in

defined benefit pension plans. Full-time employees in small establishments were more likely to be covered by a defined contribution plan than a defined benefit pension plan.

### Benefit formulas

*Earnings-based formulas* applied to about two-thirds of the full-time employees covered by defined benefit pension plans (table 76). Such formulas pay a flat percent of the employee's annual earnings per year of service (for example, 1.5 percent of earnings times 30 years of service, or 45 percent of annual earnings), or a percent that varies by service, earnings, or age.

While earnings-based formulas are widespread, variations are common in the approach to calculating annual earnings and the rate paid per year of service. For a large majority of participants with earnings formulas, pensions were based on earnings in the final years of employment (*terminal-earnings formula*); for the remainder, an average of career earnings was used (*career-earnings formula*).

Participants with terminal-earnings formulas typically had earnings defined as the average over a 5-year period (table 77). Such formulas usually designated the 5 consecutive years with the highest earnings out of the last 10 years before retirement.

Formulas based on terminal earnings usually provided full-time participants with a flat percent of earnings per year of service. These flat rates generally ranged from 1 to 2 percent of earnings and averaged 1.63 percent per year of service.

A large majority of participants in plans with formulas based on career earnings had benefit formulas that varied according to service, earnings, or a combination of factors. A career-earnings formula might credit an employee with 1 percent of earnings up to the first \$12,000 in each year of service plus 1.5 percent of the earnings exceeding that amount. The annual pension payment equals the sum of these credits. Where career-earnings formulas specified a flat percent for each year of service, the average was 1.51 percent.

The earnings that are used in computing both terminal- and career-earnings formula pension benefits are very similar. Most participants were in plans that included only "basic" earnings, that is, straight-time earnings. Other participants had additional earnings included in the benefit calculation, such as overtime pay, shift differentials, and bonuses.

Plans that did not use a percent-of-earnings benefit formula often specified a dollar amount to be paid for each year of service, such as \$20 monthly, which, after 30 years of service, yields a pension of \$600 a month (\$20 times 30). *Dollar-amount*

*formulas* applied to nearly one-sixth of pension plan participants. Although the dollar amount in these formulas sometimes varied with an employee's earnings or service, the predominant method was to multiply a uniform (single) dollar amount by years of service. Uniform dollar amounts credited per year averaged \$28 a month.

*Percent-of-contribution formulas*, which specify a periodic contribution by an employer, and occasionally by an employee, to a plan, also accounted for one-sixth of the pension participants in small establishments. Such formulas are common in multiemployer plans covering full-time employees in small establishments in such industries as contract construction and trucking. (See Chapter 7.) Benefits under percent-of-contribution formulas are a percent of total contributions, for example, 1 percent of total contributions per month. If career contributions totaled \$40,000, monthly pension benefits would equal \$400.

*Cash account pension plans*, which specify an employer contribution and guarantee a rate of interest on that contribution, accounted for the remaining participants. Benefits are based on the value of each employee's account balance at retirement. While both percent-of-contribution and cash account pension formulas have features that resemble defined contribution plans, the fact that a certain level of benefit is guaranteed by the employer leads to their classification as defined benefit plans by the Internal Revenue Service.

### Private benefits and Social Security payments

Regardless of whether they provide private retirement plans, employers (except certain exempted ones) share the cost of Social Security coverage equally with their employees. Because many plan sponsors feel that private pension and Social Security benefits should not be duplicative, formulas for calculating private pensions are often integrated with Social Security. Private pension plans may contain an offset provision under which part of the Social Security pension is subtracted from the annuity. Alternatively, they may include a provision to calculate the benefit at a lower rate for earnings below a specified level (either the Social Security taxable wage base—usually the career average—or a dollar amount equal to a past taxable wage base) than for earnings above that level.<sup>37</sup>

Social Security offsets are generally applied immediately upon retirement, whether or not the retiree is eligible for Social Security benefits. The *offset* relates to a percentage of the Social Security payment, for example, 1 percent times years of service. Frequently, the maximum offset is limited to 50 percent of the Social Security payment.

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

above the base for each year of service.

Benefit formulas were "integrated" or coordinated with Social Security for 46 percent of all pension plan participants (table 77). In 1990, the offset approach to integrating private pension plans and Social Security was more prevalent than the excess approach. In 1992, excess plans were the most frequently observed method of integrating benefits for earnings-based plans. This change is a result of the Tax Reform Act of 1986, which imposed new rules for pension plans that integrate with Social Security benefits.<sup>38</sup>

### Maximum benefit provisions

The Employee Retirement Income Security Act of 1974 (ERISA) and subsequent amendments place ceilings on the size of annual pensions from defined benefit plans. These restrictions largely affect relatively high-paid employees. Many plans, however, have provisions that restrict benefit levels for all participants. For example, two-fifths of participants were in plans that limited the number of years of service included in benefit computations, usually 30 years (table 77).

### Normal retirement

One-half of defined benefit plan participants in small establishments could retire before age 65 (usually at age 62) and still receive full private pensions (normal retirement benefits) (table 78). Workers who had to wait until age 65 for full benefits usually did not have to satisfy a length-of-service requirement; however, some plans may require workers hired after age 60 to complete at least 5 years of service.

When normal retirement was permitted prior to age 65, however, plans generally imposed a minimum service requirement. For example, normal retirement at age 62 was available to nearly one-third of pension participants but one-half of these employees had to have worked 15 years or more.

Plans that allow retirement at any age with the required amount of service and those that require combining a worker's age and service to reach a specified sum for retirement with full benefits were rare—covering 1 of 20 pension plan participants.

### Early retirement

Nearly all the full-time employees participating in defined benefit pension plans could retire before normal retirement age and receive an immediate, but reduced, pension (table 79). The amount of an early retirement pension is reduced because benefits begin at an earlier age and the retiree is expected to receive plan payments over a longer period of time.

Early retirement benefit calculations are generally based on the normal retirement formula. The benefit is then reduced by a percentage (factor) for each year between the actual and normal retirement ages. If a plan's normal retirement age is 62, for example, and the reduction factor is 6 percent for every

<sup>37</sup> For an analysis of how integrated formulas affect pension benefits, see Avy D. Graham, "Coordinating Private Pension Benefits With Social Security," *Monthly Labor Review*, March 1994, pp. 35-38.

<sup>38</sup> For a comprehensive analysis of formulas with Social Security integration characteristics prior to the Tax Reform Act of 1986, see Donald Bell and Diane Hill, "How Social Security Payments Affect Private Pensions," *Monthly Labor Review*, May 1984, pp. 15-20.

mal retirement ages. If a plan's normal retirement age is 62, for example, and the reduction factor is 6 percent for every year under normal retirement age, a person retiring at age 59 would receive 82 percent of the normal formula amount. In addition to the 18-percent reduction for early retirement, the annuity in this example would be based on fewer years of service and possibly lower earnings than at age 62.

The reduction factor may be uniform or may vary by age or service. Just over one-half of the participants with early retirement opportunities were in plans with uniform reduction factors, most commonly 4 or 6 percent for each year of early retirement. In plans with a lower uniform reduction, such as 2 or 3 percent per year, the employer is subsidizing some of the early retirement benefit by making the reduction less severe than if benefits were computed actuarially.

Reduction factors that differed by age were used in plans covering two-fifths of the participants. For most of these participants, the reduction factor differed for age brackets of several years. Alternatively, some plans imposed a different reduction for each year of early retirement, based on the employee's life expectancy at that age (actuarial reductions).

Early retirement was almost always solely at the employee's option. It was rare for a plan to require employer approval for early retirement benefits.

Nearly seven-tenths of all participants were covered by plans permitting early retirement by age 55; generally, 5 to 10 years of service was required. If service requirements were satisfied, some participants could retire earlier than age 55. Many of these participants could retire with reduced benefits at any age, generally after 30 years of service.

Additional monthly payments supplemented the early retirement pension for 1 of 25 participants if employees retired after meeting a specified age or length-of-service requirement generally higher than the minimum needed to retire. Plan sponsors include these supplementary benefits either to induce older workers to retire or as a reward for long service. Supplements generally last until Social Security benefits are payable.

### **Disability retirement**

A career-ending disability may entitle an employee to a pension before retirement age. If the disability satisfies the plan's definition of total disability, pension benefits often begin immediately. When an employer provides other sources of disability income, such as long-term disability insurance, the disability retirement benefit might be deferred until the other forms of income have ceased. Seven out of 10 pension plan participants in small establishments were covered by some type of disability retirement provision in 1992 (table 80). To be eligible for disability retirement benefits, participants often had to meet a service requirement, generally 10 years, or meet the qualifications of their long-term disability insurance plans.

Although a large majority of full-time employees with disability retirement coverage were in plans with immediate benefits, nearly half of the professional and technical employees were in plans with deferred benefits. Employees with deferred

benefits were often given long-term disability insurance benefits that typically provide 50 or 60 percent of earnings at the time of disability; this was more than was generally provided by pension plans with immediate disability retirement. Furthermore, most deferred retirement benefits were greater than immediate disability pensions, primarily because the time during which long-term disability benefits were paid was typically added to an employee's length of service for computation of pension benefits. (See chapter 3 for details of long-term disability benefit plans.)

### **Postretirement pension increases**

Inflation can severely erode the purchasing power of a fixed pension throughout a worker's retirement years. To guard against this, some pensions are adjusted on a discretionary basis while others are subject to automatic increases specified in the pension plans. Plans that increased pensions for current retirees at least once during the 1987-91 period covered fewer than 1 of 10 pension plan participants. Half of these increases were discretionary, or ad hoc, and half were automatic (table 80). The 1992 survey found no pension plans that gave lump-sum payments to retirees to compensate for inflation.

Since the survey provides only the number of current employees covered by defined benefit pension plans and not the number of retirees, the survey cannot specify the proportion of annuitants actually receiving postretirement pension increases. Thus, the measures discussed in this section describe the incidence of postretirement increases given by plans covering participants.

Ad hoc pension increases were not directly linked to a cost-of-living index. Instead, retirees' current pensions were usually increased by a percent of the present benefit, commonly a uniform amount. During the 1987-91 period, most pension plans granting ad hoc increases provided one increase, commonly no greater than 5 percent of the current pension amount.

Few plans in small private establishments provided for automatic increases in pension benefits to compensate for increases in the cost of living. Where they were found, these cost-of-living-adjustment formulas were often based on changes in the BLS Consumer Price Index.

### **Portability**

For the first time, survey data in small private establishments were available on the *portability* of pension benefits, that is, the ability to transfer years of credited service or accumulated benefits from one employer to another. In 1992, 2 out of 10 full-time employees with a defined benefit pension plan were covered by a portability provision (table 80). Most of these participants were covered by a multi-employer plan established by a union; some employees were covered by single employer plan offered by an establishment with a portability agreement with related establishments. If an employee moved to another employer, benefits from the prior employer, usually in the form of years of credited service, were transferred.

### Postretirement survivor benefits

ERISA also requires defined benefit pension plans to make benefits available in such a way that a spouse receives at least 50 percent of the retiree's payments after the retiree's death. When this type of pension—called a *joint-and-survivor annuity*—is paid, the employee will generally receive a lower benefit during retirement to account for the likely increase in the length of time the plan will have to make payments. When the retiree dies, a pension benefit will be payable for the life of the surviving spouse. All defined benefit pension plan participants had joint-and-survivor annuity options available to them in 1992.<sup>39</sup>

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

Although defined benefit pension plans typically pay their benefits in the form of annuities covering the life of the retiree and spouse, some plans offer an option in the form of a *lump-sum payment*. This lump sum provides the employee with the actuarial equivalent of the annuity. Lump-sum payments at retirement, studied in the small establishments survey for the first time in 1992, were available to one-fifth of pension participants (table 80). In virtually all of these plans, only a full lump-sum option was available. If a full lump-sum distribution is taken, the participant receives no further benefits from the pension plan. If a partial distribution is made, the participant generally receives a reduced annuity for the remainder of her or his life.

### Preretirement survivor benefits

Virtually all defined benefit pension plan participants also had survivor benefits available in case the employee died before retirement. Participants usually had to be vested before such benefits were available. (Vesting is the guaranteed right to future benefits. See the last section in this chapter for details.) For most participants, a surviving spouse would receive an annuity equivalent to the amount payable if the employee had retired on the day prior to death with a joint-and-survivor form of payment in effect. Nearly all survivor pensions like these were based on an early retirement benefit, with a joint-and-survivor reduction. In a few instances, preretirement joint-and-survivor protection involved an extra cost to the employee and was available only if elected. The employee normally paid this cost through a small deduction in the pension, ultimately payable to either the employee or the surviving spouse. The most common preretirement survivor annuity was 50 percent of the early retirement benefit.

<sup>39</sup> Survivor benefits are discussed in more detail in Donald Bell and Avy Graham, "Surviving Spouse's Benefits in Private Pension Plans," *Monthly Labor Review*, April 1984, pp. 23-31.

An alternative means of providing a preretirement survivor annuity is to calculate the benefit *without* a joint-and-survivor reduction. If an active employee dies after completion of the vesting requirement, a typical survivor would receive an annuity equal to 50 percent of the employee's accrued benefit to date. Payments may be reduced by the early retirement adjustment, and begin when the employee would have reached early retirement age. If the employee lives to become eligible for early retirement, the survivor benefit in many cases switches to the equivalent of a 50-percent joint-and-survivor benefit calculated as if the employee had retired on the day of death.

## Defined Contribution Plans

One-third of the full-time employees covered by the 1992 survey participated in one or more defined contribution plans. Two-fifths of the white-collar workers, compared to one-fourth of the blue-collar workers, participated in these plans.

### Plan types

Defined contribution plans may be divided into those designed to provide retirement benefits and those intended for capital accumulation purposes. Retirement plans, as defined in this study, do not allow withdrawal of employer contributions until retirement age, death, disability, separation from service, age 59 1/2, or hardship. Capital accumulation plans, on the other hand, impose less stringent restrictions for withdrawal of employer contributions, for example, permitting one or two withdrawals per year, or withdrawal after 2 or 5 years of service.<sup>40</sup>

Defined contribution retirement plans covered nearly three-tenths of the employees covered by the 1992 survey. Taken together with participants in defined benefit pension plans (which, as described earlier in this chapter, are always for retirement purposes), just over two-fifths of the full-time employees covered by the survey participated in at least one retirement plan (table 74).

Defined contribution plans may also be classified by type of plan (table 81). The survey provided data on the following types: Profit-sharing plans (with 16 percent of employees participating); savings and thrift plans (14 percent); and money purchase pension plans (5 percent). Employee stock ownership plans and simplified employee pension plans, or SEPs, were rarely found; stock bonus plans were nonexistent in the 1992 survey.<sup>41</sup> (Many SEPs cover the self-employed, who are excluded from the survey.) Plans that allowed the purchase of company stock below the market price (stock purchase plans), or that allowed the purchase of stock in the future at a des-

<sup>40</sup> Most defined contribution plans can be used both to provide retirement income or to accumulate financial assets. Capital accumulation plans may provide retirement income because withdrawals of the employer's contributions are voluntary, not mandatory. Similarly, preretirement access to accumulated assets from defined contribution retirement plans is frequently possible. These plans nearly always permit preretirement withdrawals of the employer's contributions (for example, at age 59 1/2, upon termination of employment prior to retirement, or upon disability). Many of these plans also permit employees to receive a lump sum, rather than an annuity, upon retirement.

ignated price (stock option plans) also were rare. Savings and thrift plans, money purchase pension plans, and profit-sharing plans were more common among white-collar workers than blue-collar workers.

Nearly three-fifths of participants in defined contribution retirement plans had all contributions to these plans made by the employer. A large majority of contributory plans were savings and thrift plans, which involve employer matching of employee contributions.

### Cash or deferred arrangements

Plans with a cash or deferred arrangement (CODAs), commonly referred to as 401(k) plans, covered 24 percent of the full-time employees in the 1992 small establishment survey (table 82), up considerably from the 17 percent participation rate reported in 1990.<sup>42</sup> These arrangements, which allow participants to choose between receiving currently taxable income or deferring taxation by placing the money in a retirement account, have played a major role in developing retirement income vehicles in recent years. Nearly all cash or deferred arrangements found in the 1992 survey took the form of salary reduction plans; other 401(k) plans included deferrals of profit-sharing allocations and mandatory regular contributions to a pension plan on a pre-tax basis.

Salary reduction plans allow employees to contribute a part of their earnings to a retirement plan, and defer income taxes on those contributions and their earnings until they are withdrawn from the plan. Such contributions are referred to as "employee elective deferrals" or "pretax contributions."

Deferrals of profit-sharing allocations provide employees with the choice of receiving an employer's profit-sharing contribution immediately in cash, or deferring the contribution and postponing taxation until distribution. Such arrangements were rare, as were pension plans that allowed employees to make required contributions on a pretax basis.

Salary reduction features, more prevalent among white-collar employees than among blue-collar employees, were available through several types of defined contribution plans. The most frequently observed vehicle for pretax savings was a savings and thrift plan, accounting for just over one-half of participants. The remainder generally could make salary reduction contributions through a deferred profit-sharing plan or a freestanding plan, that is, a plan set up for employee salary reduction with no employer contribution.

<sup>41</sup> A *money purchase pension plan* provides for a pension annuity or other form of retirement income that is determined by fixed contribution rates plus earnings credited to the employee's account. A *stock bonus plan* is a plan whereby the employer or the employee and the employer jointly contribute to a trust fund that invests in various securities. *Employee stock ownership plans* are generally wholly employer financed, and are designed to distribute company stock periodically to employees. *Simplified employee pension plans* are arrangements under which establishments with 25 or fewer employees set up employer-financed accounts, similar to individual retirement accounts (IRAs), for eligible employees. Employees may elect to make voluntary contributions. *Savings and thrift and profit-sharing plans* are described later in this chapter.

<sup>42</sup> For 401(k) plans with no employer contributions, participants were those workers actually making pretax contributions. For other plans, participants were those workers in plans offering cash or deferred arrangements, whether or not workers actually made pretax contributions.

From a different perspective, three-fifths of all participants in defined contribution plans could make voluntary salary reduction contributions to their plan. Nearly all participants in savings and thrift plans could make such contributions, but only one-fourth of those in deferred profit-sharing plans had this option.

### Savings and thrift plans

Savings and thrift plans covered 1 in 7 full-time employees in small private establishments. Under these plans, employees contribute a predetermined portion of earnings to an account, all or part of which is matched by the employer. Contributions are invested in various vehicles, such as stocks, bonds, and money market funds, as directed by the employee or employer, depending upon the provisions of the plan. Although usually designed as a long-term savings vehicle, savings and thrift plans may allow withdrawals for specified conditions (such as medical and educational expenses) and may allow participants to borrow funds from their account. Withdrawals are taxable as current income to the recipient, and may be subject to a penalty imposed by the plan.

*Employee contributions.* Savings and thrift plans allow employees to choose from a range of possible contribution rates. A plan, for example, might allow maximum employee contributions anywhere from 6 to 20 percent of pay. The most commonly allowed maximums in small establishments were 10, 15, and 16 percent.

Virtually all participants in saving and thrift plans found in small establishments were allowed to make pretax contributions. However, the provisions governing pretax contributions varied widely. For example, most participants in plans allowing pretax contributions could make only pretax contributions, others had an option to make either pretax or posttax contributions, and still others had to make at least some of their contributions on a pretax basis.

The tax status of employee contributions is important not only because of the current deferral of income taxes, but because pretax contributions may not be withdrawn from an employee's account, except in limited circumstances, without severe tax penalties.

*Employer-matching contributions.* Employers give incentives for participating in a savings and thrift plan by matching all or a portion of the employee's contributions and adding this amount to the employee's account. Usually the employer matches a portion of the employee's contributions up to a specified percent of the employee's earnings. The most frequently observed provision found in small establishments in 1992 was for an employer to match half of the employee's contribution up to the first 6 percent of earnings. Assuming the employee contributed 7 percent of earnings, the employer would add 3 percent (half of the first 6 percent of the employee's earnings) for a total contribution of 10 percent to the employee's account. In contrast with these straight percentage matches, approximately one-fourth of the participants received matching

contributions that varied by length of service, level of employee contribution, or company profits.<sup>43</sup>

**Investment decisions.** Just over four-fifths of participants in savings and thrift plans were allowed to choose how they wanted their own contributions invested. Common investment vehicles offered by these plans included company stock, common stock funds, guaranteed investment contracts, money market funds, and long-term interest bearing securities such as corporate bonds and U.S. Treasury notes. The number of choices in these plans typically varied from two to five. Employees were nearly always allowed to split their contributions among the various options and were allowed to change their investment choices periodically.

Employees generally had less flexibility when it came to employer contributions. Three-fifths of the participants were permitted to choose how the matching contribution was to be invested. Where no choice was permitted, the plan typically specified that the matching contribution was invested in company stock.

**Withdrawals and loans.** Prior to normal payout at retirement, disability, or termination of employment, one-half of the participants in savings and thrift plans were allowed to withdraw all or a portion of employer contributions. Nearly three-fifths of these participants were allowed to withdraw employer contributions for hardship reasons only, such as medical or educational expenses. The remaining participants could withdraw employer contributions for any reason. Two-fifths of participants who could make withdrawals had a penalty imposed if they did so. Most commonly, penalties involved suspending employee contributions and employer matching contributions for a given period, such as 6 months or 1 year.

Another method of accessing an employee's account prior to final payout is through loan provisions—two-fifths of participants in savings and thrift plans were allowed to borrow from their accounts. Occasionally, participants were restricted to loans for emergency or hardship situations only. Loans were generally required to be repaid within 5 years, but longer payment periods applied for home purchase or renovation loans.

Interest rates on employee loans were typically determined by a specific economic indicator (such as the prime rate or U.S. Treasury bill rate); were at the discretion of the plan sponsor (employer, employer association, or union); or varied by the reason for the loan. In the latter case, loans for the purchase of a home were often available at lower rates than other loans. The majority of participants with loan provisions paid rates of interest that varied by the reason for the loan.

**Distribution.** At retirement, savings and thrift plans virtually always allowed for payout in the form of a lump sum. Many participants were given a choice from among a lump sum and

other options, such as a lifetime annuity or installments over a specified period.

### Profit-sharing plans

Profit-sharing plans were available to 16 percent of all full-time employees in small establishments in 1992 (table 81). There are three types of profit-sharing plans—cash plans (covering less than 0.5 percent of the workers), deferred plans (16 percent), and plans that offer a combination of cash and deferred benefits (less than 0.5 percent). In a *cash plan*, benefits are paid directly to the participants in cash, usually at the end of the year, while a *deferred plan* holds money in employee accounts until retirement or another condition stipulated by the plan, such as disability or death. In a *combined plan*, the employee may automatically receive a portion of the profits in cash, with the remainder placed in a deferred account, or the employee may be given a choice of cash or deferred benefits.

Four-fifths of the participants in deferred profit-sharing plans had no predetermined formula for employer contributions. The remaining participants were in plans where the employer contribution was determined by a specified formula, such as 4 percent of profits if annual sales exceeded \$1 million.

Once the employer contribution is determined, it may be allocated to individual participants in a number of ways. For nearly all participants, the method of allocation was as a proportion of salary. Other allocation methods included formulas based on earnings and service, and equal allocations to all participants.<sup>44</sup>

### Participation and vesting in defined benefit and defined contribution plans

Minimum age and/or service requirements for plan participation are more common in defined contribution plans than in defined benefit plans. To begin accumulating benefits, eight-tenths of savings and thrift and virtually all deferred profit-sharing plan participants had to meet such requirements. In contrast, only two-thirds of defined benefit plan participants faced such provisions.

Of the defined benefit and defined contribution plans with participation requirements, most required a minimum amount of service and a designated minimum age. These plans most often specified that employees could not enter the plan until they reached age 21 and completed 1 year of service, the most restrictive requirements permitted under the Internal Revenue Code.<sup>45</sup>

Even when an employee leaves an employer before becoming eligible for either a normal, early, or disability retirement benefit, a pension may ultimately be paid. If certain conditions are satisfied at the time of separation, workers have a vested interest in all or a portion of their accrued defined ben-

<sup>44</sup> For more details on profit-sharing plans, see Edward M. Coates, III, "Profit-sharing Today: Plans and Provisions," *Monthly Labor Review*, April 1991, pp. 19-25.

<sup>45</sup> Some plans, such as those found in religious institutions, are exempt from certain restrictions in the Internal Revenue Code and may require employees to meet greater age or length of service levels before coverage.

<sup>43</sup> For more details on employee and employer contributions to savings and thrift plans, see Michael Bucci, "Lump Sum Benefits Available from Savings and Thrift Plans," *Monthly Labor Review*, June 1993, pp. 57-60.

efit pension benefits and may begin receiving benefits years later. Vested benefits under such defined contribution plans as profit-sharing and savings and thrift plans, however, are usually paid in a lump sum at employment termination.

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

Immediate full vesting, a feature often provided in defined contribution plans but rarely found in defined benefit plans, was available to 3 of 10 savings and thrift plan participants and 1 of 10 deferred profit-sharing plan participants (table 83).

Graduated vesting, where the percentage of an employee's benefit that is guaranteed increases over time and reaches 100 percent, usually after 5 to 7 years, was most common in deferred profit-sharing and savings and thrift plans. Nearly one-half of the savings and thrift plan participants and eight-tenths of the deferred profit-sharing plan participants were covered by such a provision. Just under one-fifth of the defined benefit pension participants were subject to graduated vesting schedules.

"Cliff" vesting, where no vesting occurs until an employee satisfies the service requirements for 100-percent vesting, was found in a large majority of defined benefit plans, but was much less frequent in savings and thrift and deferred profit-sharing plans. A large majority of participants in defined benefit and defined contribution plans subject to cliff vesting were fully vested after reaching 5 years of service.

For terminated and vested employees who wish to receive a defined benefit pension beginning prior to normal retirement age, ERISA requires the benefit to be at least the actuarial equivalent of what would have been received starting at age 65. The actuarial equivalent benefit is a reduced amount determined by the life expectancy at the age that pension payments begin. Although under ERISA the reduction factor used in determining the pension for an employee no longer actively participating in a plan can be more severe than for early retirement, the same factor was used in plans covering most participants with early retirement provisions. Where reductions differed, it was most common to provide actuarial reductions to deferred vested benefits, eliminating the subsidy employers provide to employees choosing early retirement.<sup>46</sup>

<sup>46</sup> For additional details on plan vesting requirements, see Avy D. Graham, "How Has Vesting Changed Since Passage of Employee Retirement Income Security Act?," *Monthly Labor Review*, August 1988, pp. 20-25.

**Table 74. Retirement and capital accumulation plan coverage: Percent of full-time employees by participation in retirement plans and capital accumulation plans, small private establishments, 1992**

Type of plan	All employees	Professional, technical, and related employees	Clerical and sales employees	Blue-collar and service employees
Total .....	100	100	100	100
Covered by retirement or capital accumulation plan .....	47	55	53	40
Retirement <sup>1</sup> only .....	43	50	48	37
Capital accumulation <sup>2</sup> only .....	2	3	1	2
Retirement and capital accumulation .....	2	3	4	1
Not covered by retirement or capital accumulation plan .....	53	45	47	60

<sup>1</sup> Includes defined benefit pension plans and defined contribution plans such as money purchase pension, profit sharing, and savings and thrift plans in which employer contributions must remain in the participant's account until retirement age, death, disability, separation from service, age 59 1/2, or hardship.

<sup>2</sup> Includes plans in which employer contributions may be withdrawn from participant's account prior to retirement age, death, disability, separation from service, age 59 1/2, or hardship. Excludes pure cash profit sharing, stock option, and stock purchase plans.

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

**Table 76. Defined benefit pension plans:<sup>1</sup> Percent of full-time participants by method of determining retirement payments, small private establishments, 1992**

Basis of payment	All participants	Professional, technical, and related participants	Clerical and sales participants	Blue-collar and service participants
Total .....	100	100	100	100
Terminal earnings formula .....	54	78	60	41
No alternative formula .....	44	65	47	34
Alternative formula <sup>2</sup> .....	10	13	13	7
Career earnings formula .....	12	13	21	5
Dollar amount formula <sup>3</sup> .....	17	5	6	30
Percent of contributions formula .....	16	3	12	23
Cash account .....	1	1	1	1

<sup>1</sup> Excludes supplemental pension plans.

<sup>2</sup> Alternative formulas are generally designed to provide a minimum benefit for employees with short service or low earnings.

<sup>3</sup> Includes formulas based on dollar amounts for each year of service and flat monthly benefit varying by service.

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

**Table 75. Retirement and capital accumulation plans: Percent of full-time participants by selected plan types and combinations of plans, small private establishments, 1992**

Type of plan	All participants	Professional, technical, and related participants	Clerical and sales participants	Blue-collar and service participants
Defined benefit .....	100	100	100	100
With:				
No other plan .....	65	80	61	70
Savings and thrift .....	22	28	27	16
Other combinations <sup>1</sup> .....	13	12	12	14
Savings and thrift .....	100	100	100	100
With:				
No other plan .....	42	47	39	43
Defined benefit .....	35	29	40	36
Other combinations <sup>1</sup> .....	22	25	21	21
Deferred profit sharing .....	100	100	100	100
With:				
No other plan .....	79	73	77	82
Savings and thrift plan .....	9	13	8	8
Other combinations <sup>1</sup> .....	12	14	14	10

<sup>1</sup> May include contributions with one or more defined contribution plans, including money purchase, deferred profit sharing, savings and thrift, and stock plans.

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

**Table 77. Defined benefit pension plans:<sup>1</sup> Percent of full-time participants by selected formula-related plan features, small private establishments, 1992**

Item	All participants	Professional, technical, and related participants	Clerical and sales participants	Blue-collar and service participants
<b>All pension formulas</b>				
Benefit integrated with Social Security <sup>2</sup> .....	46	74	60	23
Offset by Social Security <sup>3</sup> .....	21	47	29	5
Step-rate excess <sup>4</sup> .....	26	31	35	18
Benefit subject to a limit on years of credited service .....	41	49	47	34
<b>Terminal earnings formulas</b>				
Earnings used in benefit computation:				
Total .....	100	100	100	100
Three years .....	17	17	14	21
Five years .....	76	80	81	69
Other periods .....	6	4	5	10

<sup>1</sup> Excludes supplemental pension plans.

<sup>2</sup> Sum of individual items may not equal totals because some employees participated in plans with more than one type of coordination provision.

<sup>3</sup> Benefit as calculated by formula is reduced by a portion of primary Social Security payments.

<sup>4</sup> Formula applies lower benefit rate to earnings subject to FICA (Social Security) taxes or below a specific dollar breakpoint.

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



**Table 78. Defined benefit pension plans:<sup>1</sup> Percent of full-time participants by minimum age and associated service requirements for normal retirement,<sup>2</sup> small private establishments, 1992**

Age and service requirement <sup>3</sup>	All participants	Professional, technical, and related participants	Clerical and sales participants	Blue-collar and service participants	Age and service requirement <sup>3</sup>	All participants	Professional, technical, and related participants	Clerical and sales participants	Blue-collar and service participants
Total .....	100	100	100	100	Age 60—Continued				
No age requirement .....	3	1	2	4	35 years' service .....	( <sup>4</sup> )	( <sup>4</sup> )	( <sup>4</sup> )	( <sup>4</sup> )
Fewer than 30 years' service .....	1	( <sup>4</sup> )	1	2	Age 62 .....	31	18	24	41
30 years' service .....	2	1	2	2	No service requirement .....	3	2	2	5
35 years' service .....	( <sup>4</sup> )	-	-	( <sup>4</sup> )	5 years' service .....	6	7	7	6
Less than age 50 .....	( <sup>4</sup> )	1	-	( <sup>4</sup> )	10 years' service .....	3	3	3	4
Fewer than 30 years' service .....	( <sup>4</sup> )	1	-	( <sup>4</sup> )	15 or 20 years' service .....	9	1	9	13
Age 50 .....	( <sup>4</sup> )	-	( <sup>4</sup> )	( <sup>4</sup> )	25 years' service .....	2	-	( <sup>4</sup> )	5
30 years' service .....	( <sup>4</sup> )	-	( <sup>4</sup> )	( <sup>4</sup> )	26-29 years' service .....	( <sup>4</sup> )	( <sup>4</sup> )	1	( <sup>4</sup> )
Age 55 .....	2	2	2	3	30 years' service .....	4	3	1	8
No service requirement .....	( <sup>4</sup> )	( <sup>4</sup> )	( <sup>4</sup> )	( <sup>4</sup> )	35 years' service .....	1	2	1	( <sup>4</sup> )
Fewer than 30 years' service .....	1	1	1	( <sup>4</sup> )	Age 63-64 .....	( <sup>4</sup> )	-	( <sup>4</sup> )	1
30 years' service .....	1	1	1	2	5 years' service .....	( <sup>4</sup> )	-	( <sup>4</sup> )	1
Age 56-59 .....	( <sup>4</sup> )	( <sup>4</sup> )	( <sup>4</sup> )	( <sup>4</sup> )	Age 65 .....	50	63	55	40
10 years' service .....	( <sup>4</sup> )	-	-	( <sup>4</sup> )	No service requirement .....	25	41	29	15
30 years' service .....	( <sup>4</sup> )	( <sup>4</sup> )	( <sup>4</sup> )	( <sup>4</sup> )	1-4 years' service .....	( <sup>4</sup> )	-	1	-
Age 60 .....	11	14	14	8	5 years' service .....	13	15	18	9
5 years' service .....	2	4	1	2	6-9 years' service .....	( <sup>4</sup> )	1	1	( <sup>4</sup> )
10 years' service .....	1	( <sup>4</sup> )	1	2	10 years' service .....	7	5	3	11
15 years' service .....	1	1	( <sup>4</sup> )	1	15 years' service .....	2	( <sup>4</sup> )	1	3
20 years' service .....	1	1	( <sup>4</sup> )	1	20 years' service .....	1	( <sup>4</sup> )	2	( <sup>4</sup> )
30 years' service .....	6	6	11	1	25 years' service .....	1	-	( <sup>4</sup> )	1
					Sum of age plus service <sup>5</sup> .....	2	2	2	2
					Equals fewer than 80 .....	1	1	( <sup>4</sup> )	1
					Equals 85 .....	1	1	1	1
					Equals 90 .....	( <sup>4</sup> )	-	1	( <sup>4</sup> )

<sup>1</sup> Excludes supplemental pension plans.

<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 reduction due to age.

<sup>3</sup> If a plan had alternative age and service requirements, the earliest age and associated service were tabulated; if one alternative did not specify an age, it was the requirement tabulated.

<sup>4</sup> Less than 0.5 percent.

<sup>5</sup> In some plans, participants must also satisfy a minimum age or service requirement.

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

**Table 79. Defined benefit pension plans:<sup>1</sup> Percent of full-time participants by minimum age and associated service requirements for early retirement,<sup>2</sup> small private establishments, 1992**

Age and service requirement <sup>2</sup>	All participants	Professional, technical, and related participants	Clerical and sales participants	Blue-collar and service participants	Age and service requirement <sup>3</sup>	All participants	Professional, technical, and related participants	Clerical and sales participants	Blue-collar and service participants
Total .....	100	100	100	100	Age 56-59—Continued				
Participants in plans permitting early retirement .....	95	95	97	92	10 years' service .....	2	-	( <sup>1</sup> )	5
No age requirement .....	10	4	11	11	Age 60 .....	5	8	6	4
Fewer than 30 years' service .....	2	3	3	1	No service requirement <sup>5</sup> .....	1	3	1	1
30 years' service .....	7	1	7	9	1-5 years' service .....	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )
Less than age 55 .....	4	3	5	3	6-9 years' service .....	( <sup>1</sup> )	1	1	( <sup>1</sup> )
Less than 20 years' service .....	2	3	3	2	10 years' service .....	3	3	4	3
20 or more years' service .....	2	( <sup>1</sup> )	2	1	15 years' service .....	( <sup>1</sup> )	-	( <sup>1</sup> )	( <sup>1</sup> )
Age 55 .....	55	46	49	62	Age 62 .....	2	2	3	2
No service requirement <sup>5</sup> .....	3	2	3	2	No service requirement <sup>5</sup> .....	( <sup>1</sup> )	( <sup>1</sup> )	-	( <sup>1</sup> )
1-4 years' service .....	( <sup>1</sup> )	1	( <sup>1</sup> )	( <sup>1</sup> )	5 years' service .....	( <sup>1</sup> )	-	-	1
5 years' service .....	15	13	15	17	6-9 years' service .....	( <sup>1</sup> )	-	( <sup>1</sup> )	( <sup>1</sup> )
6-9 years' service .....	2	-	1	4	10 years' service .....	1	2	2	1
10 years' service .....	24	22	22	26	15 years' service .....	( <sup>1</sup> )	1	( <sup>1</sup> )	( <sup>1</sup> )
15 years' service .....	7	3	6	10	Sum of age plus service <sup>6</sup> .....	16	30	23	5
20 years' service .....	2	2	2	2	Equals 70 or fewer .....	12	27	20	-
25 years' service .....	( <sup>1</sup> )	1	-	-	Equals 75 .....	1	1	1	( <sup>1</sup> )
30 years' service .....	1	2	1	-	Equals 76-79 .....	( <sup>1</sup> )	( <sup>1</sup> )	-	( <sup>1</sup> )
Age 56-59 .....	2	-	( <sup>1</sup> )	5	Equals 80 .....	1	1	1	1
6-9 years' service .....	( <sup>1</sup> )	-	-	( <sup>1</sup> )	Equals 85 .....	2	1	1	3
					Participants in plans without early retirement .....	5	5	3	8

<sup>1</sup> Excludes supplemental pension plans.

<sup>2</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>3</sup> If a plan had alternative age and service requirements, the earliest age and associated service were tabulated; if one alternative did not specify an age, it was the requirement tabulated.

<sup>4</sup> Less than 0.5 percent.

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

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

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

**Table 80. Defined benefit pension plans:<sup>1</sup> Percent of full-time participants by selected plan features, small private establishments, 1992**

Item	All participants	Professional, technical, and related participants	Clerical and sales participants	Blue-collar and service participants
Disability benefits provided .....	69	52	54	87
Ad hoc increase given between 1987-91 .....	4	5	4	4
Cost-of-living increase provided .....	4	4	6	2
Portability of plan benefits .....	19	9	9	31
Lump-sum distribution of pension benefits at retirement allowed .....	19	17	21	17

<sup>1</sup> Excludes supplemental pension plans.

**Table 81. Defined contribution plans: Percent of full-time employees participating by type of plan, small private establishments, 1992**

Type of plan	All employees	Professional, technical, and related employees	Clerical and sales employees	Blue-collar and service employees
Savings and thrift .....	14	20	17	9
Profit sharing .....	16	18	19	14
Immediate cash only .....	( <sup>1</sup> )	( <sup>1</sup> )	-	( <sup>1</sup> )
Deferred benefits only .....	16	18	18	14
Combination .....	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )
Employee stock ownership .....	1	1	1	1
Money purchase pension .....	5	9	5	4
Simplified employee pension .....	1	1	1	1

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

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

**Table 82. Cash or deferred arrangements:<sup>1</sup> Percent of full-time employees participating in plans permitting employee contributions with pretax dollars, small private establishments, 1992**

Item	All employees	Professional, technical, and related employees	Clerical and sales employees	Blue-collar and service employees
Percent of all employees in plans with cash or deferred arrangement	24	34	28	18
Salary reduction plans <sup>2</sup> .....	24	33	27	18
Savings and thrift plans .....	13	20	17	9
Deferred profit sharing plans .....	4	4	5	4
Supplemental contributions to money purchase pension plans	1	2	1	1
Freestanding accounts <sup>3</sup> .....	5	7	5	4
Simplified employee pension .....	1	1	1	1
Other <sup>4</sup> .....	1	3	1	1
Regular contributions to pension plans on a pretax basis <sup>5</sup> .....	( <sup>6</sup> )	1	1	( <sup>6</sup> )
Deferral of profit sharing allocation <sup>7</sup> .	( <sup>6</sup> )	( <sup>6</sup> )	( <sup>6</sup> )	( <sup>6</sup> )

<sup>1</sup> Tabulations show percent of employees participating in plans that allow income, and associated tax, to be deferred. Not all participants may elect to have their income deferred. Includes employee contributions to retirement plans under several sections of the Internal Revenue Code (IRC). Excludes pretax contributions for insurance, dependent care, and other expenses under IRC section 125.

<sup>2</sup> Employee may elect to make pretax contributions to a long-term savings or retirement account.

<sup>3</sup> Employer contributions are not made to the plan.

<sup>4</sup> Employee may allocate funds in a flexible benefits plan to a retirement account.

<sup>5</sup> Includes contributions to defined benefit and money purchase pension plans. Required employee contributions to a defined benefit pension plan are made on a pretax basis, but an account separate from the pension plan is not established for these savings.

<sup>6</sup> Less than 0.5 percent.

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

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

**Table 83. Retirement plans:<sup>1</sup> Percent of full-time participants by vesting provisions, small private establishments, 1992**

Item	All participants	Professional, technical, and related participants	Clerical and sales participants	Blue-collar and service participants
<b>Defined benefit pension plans</b>				
Total .....	100	100	100	100
Cliff vesting <sup>2</sup> .....	85	89	86	83
Graduated vesting <sup>3</sup> .....	15	11	14	17
<b>Savings and thrift plans</b>				
Total .....	100	100	100	100
Immediate full vesting ...	31	39	26	29
Cliff vesting <sup>2</sup> .....	24	14	28	28
Graduated vesting <sup>3</sup> .....	45	47	46	42
Class year vesting <sup>4</sup> .....	( <sup>5</sup> )	-	( <sup>5</sup> )	1
<b>Deferred profit sharing plans</b>				
Total .....	100	100	100	100
Immediate full vesting ...	8	12	11	3
Cliff vesting <sup>2</sup> .....	10	7	7	13
Graduated vesting <sup>3</sup> .....	82	81	82	84

<sup>1</sup> Excludes supplemental pension plans.

<sup>2</sup> Under a cliff vesting schedule, an employee is not entitled to any benefits accrued under the plan until satisfying the requirements for 100 percent vesting.

<sup>3</sup> Graduated vesting schedules give an employee rights to a gradually increasing share of accrued benefits, determined by years of service, eventually reaching 100 percent vesting (usually after 7 years).

<sup>4</sup> Under class-year vesting, employers' contributions for a particular year (class) become nonforfeitable after employees satisfy vesting requirements.

<sup>5</sup> Less than 0.5 percent.

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

## Chapter 7. Plan Administration

In addition to the data on individual benefit plans, the survey explored how insurance and retirement benefits were administered and financed, and whether benefits were offered independently or as part of a flexible benefits program.

### Plan sponsor

Single employers were the predominant sponsors of most major benefit plans offered to full-time workers in the 1992 small establishment survey (table 84). A large majority of participants in life insurance, health care, long-term disability insurance, and defined benefit pension plans were in single-employer plans. Just over one-half of sickness and accident insurance participants were in single-employer plans; most of the remaining participants were covered by State-mandated temporary disability insurance benefit plans.<sup>47</sup> (State plans are discussed in chapter 4.)

Multiemployer plans typically result from collective bargaining agreements between employers within an industry or related industries and one or more labor unions. These plans allow employees moving from one employer to another within an industry to receive the same or similar benefits. Defined benefit pension plans were, by far, the most common benefits sponsored by multiemployer groups, and blue-collar and service employees were the most likely recipients of such benefits. Other benefits sponsored by multiemployer groups included health care and sickness and accident insurance.

Multiemployer defined benefit pension plans are found much more frequently in small establishments than in medium and large establishments. The larger representation of multiemployer plans in small establishments results from the high incidence of small establishments in such industries as contract construction and trucking.

### Plan financing

Generally, there were more participants in wholly employer-financed plans than in partly employer-financed plans (table 85). Employee contributions were most often required for medical and dental care, particularly for family coverage. Just under three-fourths of the medical and dental care plan participants were required to contribute toward the cost of family coverage.

<sup>47</sup> Mandatory benefits were also included for railroad employees. A small number of workers received sickness and accident insurance through the Railroad Unemployment Insurance Act, and defined benefit pension plans through Tier 2 of Railroad Retirement. Railroad Retirement is a federally mandated defined benefit pension plan for employees in the railroad and related industries; Tier 2 resembles a private plan.

For almost all benefits, a greater percentage of blue-collar workers than white-collar workers participated in wholly employer-financed plans. The exceptions were long-term disability insurance plans, where wholly employer-financed plans were more common for white-collar workers, and life insurance, where the ratio of contributory to noncontributory plans was similar for all occupational groups.

### Flexible benefits plans and reimbursement accounts

Employers have traditionally offered their workers benefit plans in a number of areas, such as medical care, life insurance, and retirement benefits. Employees may have a choice between one or more plans in a benefit area. For example, the employee may be offered a choice between a traditional fee-for-service medical plan and a health maintenance organization, but plans in each benefit area are offered separately. In recent years, new approaches to offering benefits have emerged. BLS currently collects data on two such arrangements for offering benefits—flexible benefits plans and reimbursement accounts.

Full-time employees in small establishments rarely were offered flexible benefits plans in 1992 (table 86). Such plans, often called cafeteria plans, allow employees to design individual benefit packages by choosing between two or more types of benefits. Most commonly, an employee was able to choose from a menu of medical care benefits, dental plans, and varying levels of life and long-term disability insurance, as well as the option of purchasing extra days of vacation. Other options offered included vision care benefits, sickness and accident insurance, cash in lieu of benefits, or options to deposit unused credits in a 401(k) plan or reimbursement account.

Generally, an amount of “benefits credits” or employer money is allocated to the employee, who may then contribute additional funds if the cost of the benefits chosen exceeds the employer’s allotment. In some plans, the employee is required to purchase a minimum amount of some benefits. For instance, an employee may have to choose a medical care plan and purchase a certain level of life insurance.

Reimbursement accounts were offered to just over one-tenth of full-time employees covered by the 1992 small establishment survey. A greater proportion of white-collar than blue-collar workers were eligible. These accounts, also called flexible spending accounts, provide funds from which employees pay for expenses not covered by their regular benefits package. Commonly, medical care reimbursement accounts could be used to pay for deductibles, the employee’s coinsurance,

and for services not covered under a medical care plan, such as hearing or vision exams. Dependent care accounts could be used to reimburse the employee for expenses associated with the care of dependent children and adults. Additionally, many accounts allowed for the pretax payment of medical care and other insurance premiums.

Reimbursement accounts are usually funded solely by employee pretax money, although some accounts are funded either wholly or partially by employers. Reimbursement accounts may be part of a flexible benefits plan, or they may stand alone.

About two-thirds of employees eligible for reimbursement accounts could allocate funds for medical care deductibles, coinsurances, and other health expenses not covered by their medical care plan (table 87). Just under three-fifths of eligible employees could use money from these accounts to pay for dependent care expenses, generally including both child-care and care for elderly or disabled relatives. Reimbursement account funds could also be allocated for the payment of the

employees' share of health care premiums. In fact, about one-third of all reimbursement accounts were designed solely for pretax payment of health premiums (also known as "premium conversion" plans).

Nine of 10 employees participating in flexible benefits plans or reimbursement accounts were required to contribute toward the cost of their benefits, or were allowed to contribute to obtain additional benefits. Nearly all of these contributions were in the form of a salary reduction arrangement, which resulted in lower income tax liabilities.

Individual benefit plans offered through a flexible benefits plan were analyzed and included in the tabulations for specific benefit areas in this bulletin.<sup>48</sup>

<sup>48</sup> For information on flexible benefits plans in medium and large private establishments, see Joseph R. Meisenheimer and William J. Wiatrowski, "Flexible Benefits Plans: Employees Who Have A Choice," *Monthly Labor Review*, December 1989, pp. 17-23.

**Table 84. Plan administration: Percent of full-time participants in selected employee benefit programs by type of plan sponsor, small private establishments, 1992**

Plan sponsor	Health care	Life insurance	Sickness and accident insurance	Long-term disability insurance	Defined benefit pension	Savings and thrift plans
<b>All participants</b>						
Total .....	100	100	100	100	100	100
Single employer .....	91	95	55	97	71	100
Multiemployer <sup>1</sup> .....	7	4	5	1	27	-
Mandated benefits <sup>2</sup> .....	( <sup>3</sup> )	( <sup>3</sup> )	40	1	1	-
Employer association <sup>4</sup> .....	2	1	1	1	1	-
<b>Professional, technical, and related</b>						
Total .....	100	100	100	100	100	100
Single employer .....	95	97	62	97	88	100
Multiemployer <sup>1</sup> .....	3	( <sup>3</sup> )	1	1	6	-
Mandated benefits <sup>2</sup> .....	1	1	36	1	3	-
Employer association <sup>4</sup> .....	2	2	1	1	2	-
<b>Clerical and sales</b>						
Total .....	100	100	100	100	100	100
Single employer .....	94	97	51	97	84	100
Multiemployer <sup>1</sup> .....	4	2	2	1	13	-
Mandated benefits <sup>2</sup> .....	( <sup>3</sup> )	( <sup>3</sup> )	46	1	1	-
Employer association <sup>4</sup> .....	2	1	1	2	2	-
<b>Blue-collar and service</b>						
Total .....	100	100	100	100	100	100
Single employer .....	86	91	55	97	54	100
Multiemployer <sup>1</sup> .....	11	7	7	3	46	-
Mandated benefits <sup>2</sup> .....	-	( <sup>3</sup> )	37	( <sup>3</sup> )	( <sup>3</sup> )	-
Employer association <sup>4</sup> .....	3	1	1	( <sup>3</sup> )	-	-

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

<sup>2</sup> The majority of the participants with mandated sickness and accident insurance benefits were covered by State temporary disability insurance plans. The remaining employees were covered by the Railroad Unemployment Insurance Act. Mandated defined benefit pension plan participants were covered by Railroad Retirement Tier 2.

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

<sup>4</sup> Band of small employers in a common trade or business, for example, savings and loan associations. The plan sponsored by the association is not negotiated with the employees.

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

**Table 85. Plan financing: Percent of full-time participants in selected employee benefit programs by source of financing, small private establishments, 1992**

	Sickness and accident insurance	Long-term disability insurance	Medical care for employee	Medical care for family	Dental care for employee	Dental care for family	Life insurance	Defined benefit pension
<b>All participants</b>								
Total .....	100	100	100	100	100	100	100	100
Wholly employer financed .....	65	81	53	27	58	31	83	97
Partly employer financed .....	35	19	47	73	42	69	17	3
<b>Professional, technical, and related</b>								
Total .....	100	100	100	100	100	100	100	100
Wholly employer financed .....	70	89	52	21	60	18	87	95
Partly employer financed .....	30	11	48	79	40	82	13	5
<b>Clerical and sales</b>								
Total .....	100	100	100	100	100	100	100	100
Wholly employer financed .....	60	83	51	25	51	25	85	96
Partly employer financed .....	40	17	49	75	49	75	15	4
<b>Blue-collar and service</b>								
Total .....	100	100	100	100	100	100	100	100
Wholly employer financed .....	67	63	55	32	62	43	80	98
Partly employer financed .....	33	37	45	68	38	57	20	2

**Table 86. Flexible benefits plans and reimbursement accounts:<sup>1</sup> Percent of full-time employees eligible, small private establishments, 1992**

Coverage	All employees	Professional, technical, and related employees	Clerical and sales employees	Blue-collar and service employees
Total .....	100	100	100	100
Provided flexible benefits and/or reimbursement accounts .....	14	24	20	7
Flexible benefits plan with reimbursement accounts .....	2	3	4	( <sup>2</sup> )
Flexible benefits plan with no reimbursement accounts .....	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )
Freestanding reimbursement accounts .....	12	20	16	6
Not provided flexible benefits or reimbursement accounts .....	86	76	80	93

<sup>1</sup> Flexible benefits plans, also known as flexible compensation and cafeteria plans, allow employees to choose between two or more benefits or benefit options in determining their individual benefit packages. Reimbursement (flexible spending) accounts, which are used to finance benefits or expenses unpaid by insurance or benefit plans, may be part of a flexible benefits program or stand alone (freestanding accounts). These accounts may be financed by the employer, employee, or both. The employee contribution is usually made through a salary reduction arrangement.

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

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

**Table 87. Reimbursement accounts: Percent of full-time employees eligible by expenses covered, small private establishments, 1992**

Coverage	All employees	Professional, technical, and related employees	Clerical and sales employees	Blue-collar and service employees
Health care premiums .....	68	65	64	78
Health care premiums only .....	32	24	27	51
Health care expenses .....	62	69	67	43
Dependent care .....	58	66	65	36

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

## Chapter 8. Benefits by selected characteristics

The Employee Benefits Survey provides data on the incidence and characteristics of employee benefits for full and part-time workers in private industry and State and local government.<sup>49</sup> Data are presented separately for small establishments; medium and large establishments; and State and local governments. Combined data from each of these sectors of the economy are now available.<sup>50</sup>

Included in the small establishment survey are small independent businesses, such as a local grocery store, and small establishments that are part of larger enterprises, such as a local service unit of a large manufacturing company. Separate data are presented in this chapter on the incidence of benefits among employees in small, independent businesses, which account for about three-fourths of the workers in all small establishments in 1992 (tables 88-89).

For the first time, incidence of employee benefits for full-time workers by union status is available (tables 90-91). In general, employees covered by collective bargaining agreements were more likely to receive insurance and retirement coverage than nonunion workers. Just under 1 in 10 full-time employees in small private establishments were covered by collective bargaining agreements.

Incidence of benefits for part-time workers in small private establishments is also included in this chapter. Part-time workers within the scope of the Employee Benefits Survey were far less likely to be covered by benefit plans than full-time workers (tables 92-93). Part-time workers account for about one-fifth of the small private establishment workforce.

### Benefits in small, independent businesses

In 1992, the proportion of full-time employees in small independent businesses who received specific employee benefits was generally less than that found among all full-time employees in small establishments. For example, paid funeral leave was available to 50 percent of full-time employees in all small establishments and to 39 percent of such employees in small independent businesses (table 88).

Paid vacations and holidays were the most prevalent benefits available to full-time employees in small independent

<sup>49</sup> Data on full- and part-time employees in State and local governments are available in *Employee Benefits in State and Local Governments, 1990* (Bureau of Labor Statistics, Bulletin 2398, February 1992). Data on full- and part-time employees in medium and large private establishments are available in *Employee Benefits in Medium and Large Establishments, 1991* (Bureau of Labor Statistics, Bulletin 2422, May 1993).

<sup>50</sup> Combined 1990-91 data, which provide information on benefits provided to all workers in private industry and State and local governments, are available in *BLS Reports on Employee Benefits in the United States, 1990-91* (Bureau of Labor Statistics Summary 93-4, June 1993). Combined 1991-92 data will be available mid-summer 1994.

businesses in 1992, covering 85 and 79 percent of workers, respectively. Just under half of the full-time employees in small independent businesses had paid jury-duty leave, paid sick leave, and paid rest time. Other time-off benefits were less prevalent.

Nearly two-thirds of the full-time workers in small independent businesses participated in medical care plans in 1992; slightly more than one-half had life insurance protection. Other insurance coverage was much less prevalent: dental care and sickness and accident insurance plans each covered about one-fourth of full-time employees in small independent businesses in 1992, while about an eighth had long-term disability insurance protection.

Retirement plans covered one-third of full-time employees in small independent businesses in 1992, compared to nearly one-half in all small establishments. Most of this difference resulted from the significantly lower incidence of defined benefit pension plans in small independent businesses.

Among other benefits studied, the most prevalent available to full-time employees in small independent businesses was nonproduction bonuses—one-half of such workers received these bonuses in 1992 (table 89). Few of the other items studied were widespread among full-time workers in all small establishments. In small, independent businesses, these benefits, for the most part, were even less prominent.

### Benefits by union status

The incidence of benefits provided to full-time workers covered by collective bargaining agreements was typically higher than for nonunion workers. The exceptions included holidays and vacation days where the incidence for nonunion workers was higher. Nonunion workers were also more likely to receive sick leave, but this was more than offset by sickness and accident insurance coverage where the incidence of coverage for union workers was nearly three times as high as that for nonunion workers (table 90).

About 9 in 10 union workers received medical care, retirement, and life insurance coverage, a significantly greater incidence of coverage than nonunion workers. Union workers were also nearly twice as likely to receive dental insurance as nonunion workers. Although union workers were four times as likely to receive defined benefit plans, only one-fifth of these workers were offered defined contribution plans compared to one-third of nonunion workers.

The incidence of educational assistance benefits was similar for union and nonunion workers. Nonunion workers were three times more likely to be eligible for reimbursement accounts and were much more likely to receive nonproduction



bonuses than union workers. On the other hand, union workers were nearly twice as likely to be eligible for employee assistance programs (table 91).

### **Benefits for part-time employees**

Paid vacations and holidays were the benefits most commonly available to part-time workers,<sup>51</sup> and insurance and retirement protection was the least (table 92). Few part-time workers within the scope of the Employee Benefits Survey were provided medical care, life insurance, private retirement plans, or parental leave. In contrast, full-time employees in small private establishments were nearly 4 times as likely to have retirement plans and parental leave, and more than 10 times as likely as part-time employees to be covered by medical care and life insurance benefits.

Because of the limited incidence of benefits among part-time workers, plan provisions could not be examined to the same extent as for full-time workers.

The number of hours per day and hours per week for which part-time employees were scheduled to work varied widely. Most prevalent were work schedules of 4 or 5 hours per day, typically 5 days per week. Total hours were frequently between 15 and 30 per week. Part-time white-collar employees tended to work longer hours per day but fewer days per week than blue-collar workers.

Paid time off was the most prevalent type of benefit program available to the part-time workforce. Nearly three-tenths of all part-time employees were eligible for paid vacations, paid holidays, and paid rest periods. Paid time off was commonly prorated based on the work schedule of the part-

time employee. For example, an employee working 4 hours per day would receive 4 hours of pay for each vacation day granted.

When paid time-off benefits were provided to part-time employees, there were often significant differences between the number of days off part-time workers and full-time workers received. For example, part-time employees received an average of 6.7 paid holidays per year, while full-time workers received pay for 9.2 holidays.

Additionally, part-time employees received fewer paid vacation days than full-time. Part-time employees eligible for paid vacations were granted an average of 9.5 days at 5 years of service, compared to 11.5 days for full-time. At 20 years of service, part-time employees averaged 11.3 days, while full-time employees averaged 15.1 days.

Other types of leave were less common. Just over one-tenth of part-time employees were eligible for paid jury duty, paid sick leave, or paid funeral leave. Maternity leave and paternity leave, either paid or unpaid, were rarely provided to part-time workers.

Insurance benefits—sickness and accident insurance, long-term disability insurance, medical care, dental care, and life insurance—were available to fewer than one-tenth of part-time workers.

Similarly, one-tenth of part-time workers were eligible to participate in a retirement plan. As with full-time workers, defined contribution plans were the most prevalent type of retirement plans observed. Defined benefit pension plans were seldom provided.

The incidence of other benefits, such as severance pay, legal services, family-related benefits (including child care and eldercare), and health promotion programs, was rare (table 93).

<sup>51</sup> Employees are classified as full-time or part-time in accordance with the practices of surveyed establishments.

**Table 88. Summary: Percent of full-time employees participating<sup>1</sup> in selected employee benefit programs, small independent businesses,<sup>2</sup> 1992**

Employee benefit program	All employees <sup>3</sup>	Professional, technical, and related employees <sup>3</sup>	Clerical and sales employees <sup>3</sup>	Blue-collar and service employees <sup>3</sup>	Employee benefit program	All employees <sup>3</sup>	Professional, technical, and related employees <sup>3</sup>	Clerical and sales employees <sup>3</sup>	Blue-collar and service employees <sup>3</sup>
<b>Paid:</b>					<b>Dental insurance—Continued</b>				
Holidays .....	79	94	89	69	Family coverage:				
Vacations .....	85	94	94	78	Wholly employer financed .....				
Personal leave .....	11	19	16	6	9	8	9	10	
Lunch period .....	9	13	10	8	Partly employer financed .....				
Rest time .....	48	43	41	53	15	25	19	9	
Funeral leave .....	39	51	44	34	Life insurance .....				
Jury duty leave .....	48	70	54	38	54	70	62	45	
Military leave .....	14	23	16	10	Wholly employer financed .....				
Sick leave .....	45	70	63	29	45	61	53	37	
Maternity leave .....	2	4	2	1	Partly employer financed .....				
Paternity leave .....	( <sup>5</sup> )	1	( <sup>5</sup> )	( <sup>5</sup> )	9	9	10	8	
<b>Unpaid:</b>					All retirement <sup>4</sup> .....				
Maternity leave .....	15	21	15	13	34	43	37	30	
Paternity leave .....	7	13	6	6	Defined benefit pension .....				
Sickness and accident insurance .....					12	9	10	13	
Wholly employer financed .....	24	23	27	24	Wholly employer financed .....				
Partly employer financed .....	14	16	14	14	11	9	8	13	
Wholly employer financed .....	10	7	13	10	Partly employer financed .....				
Partly employer financed .....	1	2	2	( <sup>5</sup> )	1	1	1	( <sup>5</sup> )	
Long-term disability insurance .....					Defined contribution <sup>6</sup> .....				
Wholly employer financed .....	13	33	17	4	27	40	30	21	
Partly employer financed .....	12	31	16	4	Uses of funds:				
Partly employer financed .....	1	2	2	( <sup>5</sup> )	Retirement <sup>7</sup> .....				
Medical care .....					25	37	29	20	
Employee coverage:	64	79	74	55	Wholly employer financed <sup>8</sup> .....				
Wholly employer financed .....	38	45	44	33	17	22	19	15	
Partly employer financed .....	26	33	30	22	Partly employer financed .....				
Family coverage:					8	15	10	5	
Wholly employer financed .....	19	16	20	18	Capital accumulation <sup>9</sup> .....				
Partly employer financed .....	46	62	54	37	2	4	1	2	
Dental care .....					Wholly employer financed <sup>8</sup> .....				
Employee coverage:	24	32	27	19	1	1	( <sup>5</sup> )	1	
Wholly employer financed .....	16	22	16	14	Partly employer financed .....				
Partly employer financed .....	8	11	11	5	1	3	1	1	
Types of plans:					Savings and thrift .....				
Employee coverage:					8	16	9	4	
Wholly employer financed .....	16	22	16	14	Deferred profit sharing .....				
Partly employer financed .....	8	11	11	5	15	19	17	13	
Stock option .....					( <sup>5</sup> )	( <sup>5</sup> )	( <sup>5</sup> )	( <sup>5</sup> )	
Employee coverage:					Employee stock ownership .....				
Wholly employer financed .....	16	22	16	14	( <sup>5</sup> )	( <sup>5</sup> )	( <sup>5</sup> )	( <sup>5</sup> )	
Partly employer financed .....	8	11	11	5	Money purchase pension .....				
Cash only profit-sharing .....					5	9	5	4	
Flexible benefits plans .....					1	2	1	1	
Reimbursement accounts .....					1	2	1	1	

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

<sup>2</sup> See appendix A for scope of study.

<sup>3</sup> See appendix A for definitions of the occupational groups.

<sup>4</sup> Includes defined benefit pension plans and defined contribution retirement plans. The total is less than the sum of the individual items because many employees participated in both types of plans.

<sup>5</sup> Less than 0.5 percent.

<sup>6</sup> The total is less than the sum of the individual items because some

employees participated in both retirement and capital accumulation plans, and in more than one type of plan.

<sup>7</sup> Plans were counted as retirement plans if employer contributions had to remain in the participant's account until retirement age, death, disability, separation from service, age 59 1/2, or hardship.

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

<sup>9</sup> Includes plans in which employer contributions may be withdrawn from participant's account prior to retirement age, death, disability, separation from service, age 59 1/2, or hardship. Excludes pure cash profit sharing, stock option, and stock purchase plans.

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

**Table 89. Other benefits: Percent of full-time employees eligible for specified benefits, small independent businesses, 1992**

Benefit	All employees	Professional, technical, and related employees	Clerical and sales employees	Blue-collar and service employees
<b>Income continuation plans:</b>				
Severance pay .....	11	24	15	5
Supplemental unemployment benefits .....	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )
<b>Family benefits:</b>				
Employer assistance for child care .....	( <sup>1</sup> )	1	1	( <sup>1</sup> )
Adoption financial assistance .....	1	2	1	( <sup>1</sup> )
Eldercare .....	2	3	2	2
Long-term care insurance .....	1	2	1	( <sup>1</sup> )
<b>Health promotion programs:</b>				
In-house infirmary .....	2	5	2	1
Wellness programs .....	2	5	3	1
Employee assistance programs ..	8	12	9	6
<b>Miscellaneous benefits:</b>				
Employer-subsidized recreation facilities .....	4	6	5	4
Job-related travel accident insurance .....	7	13	7	5
Nonproduction bonuses .....	50	54	54	46
Prepaid legal services .....	1	3	2	1
<b>Education assistance:</b>				
Job related .....	28	43	33	21
Not job related .....	3	6	4	3

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

**Table 90. Summary: Percent of full-time employees participating<sup>1</sup> in selected employee benefit programs, by union status, small private establishments,<sup>2</sup> 1992**

Employee benefit program	All employees	Union employees	Nonunion employees
Paid holidays .....	82	80	83
Paid vacations .....	88	85	88
Paid personal leave .....	12	21	12
Paid lunch period .....	9	9	9
Paid rest period .....	49	66	47
Paid funeral leave .....	50	66	49
Paid jury duty leave .....	58	63	57
Paid military leave .....	21	18	21
Paid sick leave .....	53	36	55
Paid maternity leave .....	2	( <sup>3</sup> )	2
Paid paternity leave .....	1	( <sup>3</sup> )	1
Unpaid maternity leave ...	18	27	17
Unpaid paternity leave ...	8	17	8
<b>Sickness and accident insurance</b> .....	26	66	23
<b>Long-term disability insurance</b> .....	23	24	22
Medical care .....	71	94	68
Dental care .....	33	58	31
Life insurance .....	64	87	62
All retirement <sup>4</sup> .....	45	87	41
Defined benefit pension .	22	81	16
Defined contribution .....	33	22	34

<sup>1</sup> Participants are workers covered by a paid time off, insurance, or retirement plan. Employees subject to minimum service requirements before they are eligible for benefit coverage are counted as participants even if they have not met the requirement at the time of the survey. If employees are required to pay part of the cost of a benefit, only those who elect the coverage and pay part of the cost are counted as participants.

<sup>2</sup> See appendix A for scope of study.

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

<sup>4</sup> Includes defined benefit pension plans and defined contribution retirement plans. The total is less than the sum of the individual items because many employees participated in both types of plans.

**Table 91. Other benefits: Percent of full-time employees eligible for specified benefits, by union status, small private establishments, 1992**

Benefit	All employees	Union employees	Nonunion employees
Reimbursement accounts	14	6	15
Severance pay .....	15	16	15
Employee assistance programs .....	17	28	16
Job-related travel-accident insurance .....	16	15	16
Nonproduction bonuses .	47	31	49
Job-related educational assistance .....	36	39	36

**Table 92. Summary: Percent of part-time employees participating<sup>1</sup> in selected employee benefit programs, small private establishments,<sup>2</sup> 1992**

Employee benefit program	All employees <sup>3</sup>	Professional, technical, and related employees <sup>3</sup>	Clerical and sales employees <sup>3</sup>	Blue-collar and service employees <sup>3</sup>	Employee benefit program	All employees <sup>3</sup>	Professional, technical, and related employees <sup>3</sup>	Clerical and sales employees <sup>3</sup>	Blue-collar and service employees <sup>3</sup>
<b>Paid:</b>					<b>Dental insurance—Continued</b>				
Holidays .....	29	35	37	22	Family coverage:				
Vacations .....	31	35	33	20	Wholly employer financed .....	1	1	1	( <sup>4</sup> )
Personal leave .....	3	4	4	3	Partly employer financed .....	2	5	3	2
Lunch period .....	5	3	2	7	Life insurance .....	6	7	8	5
Rest time .....	31	14	40	27	Wholly employer financed .....	4	5	5	4
Funeral leave .....	12	20	19	7	Partly employer financed .....	2	2	2	1
Jury duty leave .....	15	22	19	11	All retirement <sup>5</sup> .....	12	7	17	9
Military leave .....	4	5	6	2	Defined benefit pension .....	4	1	5	3
Sick leave .....	11	14	17	7	Wholly employer financed .....	4	1	5	3
Maternity leave .....	( <sup>4</sup> )	-	1	-	Defined contribution <sup>6</sup> .....	9	7	14	6
<b>Unpaid:</b>					<b>Uses of funds:</b>				
Maternity leave .....	7	9	9	6	Retirement <sup>7</sup> .....	9	6	13	6
Paternity leave .....	4	5	5	4	Wholly employer financed <sup>8</sup> .....	7	3	9	6
<b>Sickness and accident insurance .....</b>					<b>Partly employer financed<sup>8</sup> .....</b>				
Wholly employer financed .....	11	14	14	8	Capital accumulation <sup>9</sup> .....	( <sup>4</sup> )	1	1	( <sup>4</sup> )
Partly employer financed .....	5	5	6	4	Wholly employer financed <sup>8</sup> .....	( <sup>4</sup> )	-	( <sup>4</sup> )	-
<b>Long-term disability insurance .....</b>					<b>Partly employer financed<sup>8</sup> .....</b>				
Wholly employer financed .....	1	4	1	( <sup>4</sup> )	Types of plans:				
Partly employer financed .....	1	4	1	( <sup>4</sup> )	Savings and thrift .....	2	4	3	1
<b>Medical care .....</b>					<b>Deferred profit sharing .....</b>				
Employee coverage:	5	7	7	4	Employee stock ownership .....	( <sup>4</sup> )	( <sup>4</sup> )	( <sup>4</sup> )	-
Wholly employer financed .....	3	4	4	2	Money purchase pension .....	1	3	2	1
Partly employer financed .....	3	4	3	2	Simplified employee pension .....	( <sup>4</sup> )	-	( <sup>4</sup> )	-
<b>Family coverage:</b>					<b>Stock option .....</b>				
Wholly employer financed .....	1	1	2	1	Stock purchase .....	( <sup>4</sup> )	-	( <sup>4</sup> )	-
Partly employer financed .....	4	6	5	3	<b>Flexible benefits plans .....</b>				
<b>Dental care .....</b>					<b>Reimbursement accounts .....</b>				
Employee coverage:	3	7	4	2		1	-	1	1
Wholly employer financed .....	2	3	3	( <sup>4</sup> )		2	3	3	1
Partly employer financed .....	2	4	1	1					

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

<sup>2</sup> See appendix A for scope of study.

<sup>3</sup> See appendix A for definitions of the occupational groups.

<sup>4</sup> Less than 0.5 percent.

<sup>5</sup> Includes defined benefit pension plans and defined contribution retirement plans. The total is less than the sum of the individual items because many employees participated in both types of plans.

<sup>6</sup> The total is less than the sum of the individual items because some

employees participated in both retirement and capital accumulation plans, and in more than one type of plan.

<sup>7</sup> Plans were counted as retirement plans if employer contributions had to remain in the participant's account until retirement age, death, disability, separation from service, age 59 1/2, or hardship.

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

<sup>9</sup> Includes plans in which employer contributions may be withdrawn from participant's account prior to retirement age, death, disability, separation from service, age 59 1/2, or hardship. Excludes pure cash profit sharing, stock option, and stock purchase plans.

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

**Table 93. Other benefits: Percent of part-time employees eligible for specified benefits, small private establishments, 1992**

Benefit	All employees	Professional, technical, and related employees	Clerical and sales employees	Blue-collar and service employees
<b>Income continuation plans:</b>				
Severance pay .....	3	4	5	1
Supplemental unemployment benefits .....	( <sup>1</sup> )	-	( <sup>1</sup> )	-
<b>Family benefits:</b>				
Employer assistance for child care .....	1	4	1	( <sup>1</sup> )
Adoption financial assistance .....	( <sup>1</sup> )	2	-	( <sup>1</sup> )
Eldercare .....	1	2	2	1
Long-term care insurance .....	( <sup>1</sup> )	-	( <sup>1</sup> )	-
<b>Health promotion programs:</b>				
In-house infirmary .....	1	5	1	1
Wellness programs .....	1	1	3	1
Employee assistance programs ..	6	4	8	5
<b>Miscellaneous benefits:</b>				
Employer-subsidized recreation facilities .....	4	15	3	2
Job-related travel accident insurance .....	4	2	6	3
Nonproduction bonuses .....	33	52	29	33
Prepaid legal services .....	1	-	2	( <sup>1</sup> )
<b>Education assistance:</b>				
Job related .....	9	18	11	7
Not job related .....	1	2	2	1

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

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

# Appendix A: Technical Note

## Scope of survey

This survey of the incidence and characteristics of employee benefit plans is collected jointly with the Bureau's Employment Cost Index (ECI). The portion of the sample from which these estimates are made covers all private sector establishments<sup>52</sup> in the United States employing fewer than 100 workers at the time of sample selection<sup>53</sup>. All private sector industries are covered in the survey with the exception of farms and private households. All employees are covered except the self-employed.

The industrial coverage, establishment size coverage, and geographic coverage for this survey is identical to the 1990 survey of small private establishments. The surveys conducted from 1979 to 1986 excluded most of the service industries and included establishments that employed at least 50, 100, or 250 workers, depending on the industry. The survey conducted in 1987 consisted of State and local governments with 50 or more employees. The surveys conducted in 1988 and 1989 included all non-farm private sector establishments that employed 100 or more employees. All surveys conducted from 1979 to 1989 excluded establishments in Alaska and Hawaii and part-time workers.

Beginning in 1990, all surveys cover all full-time and part-time workers in all 50 States and the District of Columbia. In 1990 and subsequent even-numbered years, data are collected in small private establishments (those employing fewer than 100 workers) and State and local governments. In 1991 and subsequent odd-numbered years, data are collected in medium and large private establishments (those employing 100 workers or more).

Tables A-1 and A-2 show the estimated number of establishments and full- and part-time employees within the scope of the survey, the number of responding sample establishments, and the number of sampled (and responding) occupational quotes<sup>54</sup> within those establishments that were actually studied for each major industry division.

<sup>1</sup> BLS defines an establishment as an economic unit that produces goods or services (such as a factory or a store) at a single location. An establishment is not necessarily a firm; it may be a branch plant, for example, or a warehouse.

<sup>2</sup> The establishments included in this survey had to be determined in advance of the actual collection since only the smaller establishments were surveyed. The decision was made to classify establishments by size as of the reference date of the sampling frame. All establishments that were sampled with fewer than 100 employees are included in the survey, even if they employed more workers at the time of data collection.

<sup>3</sup> Data were collected individually for narrowly defined occupations that were sampled within establishments. All of the employees in the detailed occupation selected may not be surveyed. Data for a manageable number (group) of employees in the detailed occupation that included the employee position selected are collected. This group is called a quote.

## Occupational groups

Each of the narrowly defined occupations selected for study is classified into one of the following three broad occupational groups:

*Professional, technical, and related.* Includes professional, technical, executive, administrative, managerial, and related occupations.

*Clerical and sales.* Includes clerical, administrative support, and sales occupations.

*Blue-collar and service.* Includes precision production, craft, and repair occupations; machine operators, and inspectors; transportation and moving occupations; handlers, equipment cleaners, helpers, and laborers; and service occupations.

Employees excluded from the survey are the self-employed, proprietors, major stockholders, members of a corporate board who are not otherwise officers of the corporation, volunteers, unpaid workers, family members paid token wages, persons permanently disabled, partners in unincorporated firms, and U.S. citizens working overseas.

## Benefit areas

Sampled establishments were requested to provide data for a sample of their occupations on work schedules and details of plans in each of the following benefit areas: Paid lunch periods, paid rest periods, paid holidays, paid vacations, paid personal leave, paid funeral leave, paid military leave, paid jury-duty leave, paid and unpaid parental leave, paid sick leave, sickness and accident insurance, long-term disability insurance, medical, dental, and vision care, life insurance, defined benefit pension plans, defined contribution plans, flexible benefit plans, and reimbursement accounts.

Data were also collected on the incidence of the following additional benefits: Severance pay, supplemental unemployment benefits, travel accident insurance, nonproduction cash bonuses, prepaid legal services, child care, adoption assistance, eldercare, in-house infirmaries, long-term care insurance, wellness programs, recreation facilities, job-related and non-job-related educational assistance, and employee assistance programs.

## Sampling frame

The list of establishments from which the sample was selected (called the sampling frame) was the State Unemployment Insurance (UI) reports for the 50 States and the District

of Columbia. The reference date of the UI reports that were sampled varies by industry from 1986 to 1991. This is due to the nature of the sample selection and replacement, which is described below. To make the sample represent establishments that began business after the various industry samples were selected, a sample of "births" (newly opened establishments) was included for the first time in the 1992 survey.

### Sample design

The sample design for the Employment Cost Index (ECI) and this survey is a 2-stage probability sample of detailed occupations. The first stage of sample selection is a probability sample of establishments, while the second stage of sample selection is a probability sample of occupations within the sampled establishments.

### Establishment sample

The sample of 4,345 establishments was the subset of the ECI sample that had fewer than 100 employees at the time of sample selection. The ECI sample is updated periodically over a 4-year cycle. Each year, new sample establishments are introduced into the survey in selected industries and replace the sample units that were previously selected in those same industries. Using this procedure, the entire sample is replaced approximately every 4 years.

The sample of establishments is selected by first stratifying the sampling frame by industry group, and then by region and establishment employment. The industry groups usually consist of 3-digit Standard Industrial Classification groups, as defined by the Office of Management and Budget, which are covered by the survey.

The number of sample establishments allocated to each stratum (defined by industry) reflects the ratio of employment in the stratum to employment in all sampling frame establishments. Thus, a stratum that contained 1 percent of the total employment within the scope of the survey received approximately 1 percent of the total sample establishments. Some industries are sampled at a higher rate than other industries because of publication requirements or highly variable data.

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

### Occupational sample

At the beginning of each field visit by a Bureau field economist to collect data from a sampled establishment, a second stage probability sample of occupations is selected from the establishment. Data are then collected for these sampled occupations. The number of occupations selected from an establishment varies from 4 in the smallest establishments to 8 in the largest establishments. The probability of an occupation being selected is proportionate to its employment within the establishment. There were 7,830 (6,666 full-time and 1,164

part-time) second stage sample units (sampled occupations) that reported data from the 2,491 first stage sample units (sampled establishments) that cooperated in the survey.

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

### Data collection

Data for the survey were collected by visits or telephone calls by Bureau field economists to the sampled establishments. To reduce the reporting burden, respondents were asked to provide documents describing their flexible benefits plans, reimbursement accounts, defined benefit pension and defined contribution plans, medical, dental, and vision care plans, and insurance plans. These were analyzed by BLS staff in Washington to obtain the required data on plan provisions. Data on paid leave generally were obtained directly from the employer at the time of the visit.

Data were collected during the period of October 1991 to November 1992. Respondents were asked for information as of the time of the data collection visit.

### Data calculation

The tables presented in this bulletin show the percent of employees who were covered by paid leave plans or unpaid parental leave plans; participated in medical, dental, and vision care plans; participated in insurance or retirement plans; or were eligible for flexible benefits plans, reimbursement accounts, or other selected benefits. With the exception of tables 2, 86, 87, 89, 91, and 93, counts of workers covered by benefit plans included those who had not met possible minimum length-of-service requirements at the time of the survey.

Most of the tables in this bulletin show the percent of workers covered by individual benefit plans or plan provisions. Percentages are calculated in three ways. One technique, followed in tables 1, 3-5, 7, 9, 13-17, 19-21, 74, 81, 82, 88, 90, and 92, shows the number of covered workers as a percent of all workers within the scope of the survey; tables 2, 86, 89, 91, and 93 show the number of eligible workers as a percent of all workers.

A second approach is followed in tables 8, 10, 11, 18, 25, 26, 28, 29, 31-35, 53, 57, 60-62, 66, 70, 73, 75, 76, 78-80, 83-85, and 87. These tables show the number of workers covered by specific features in a benefit area as a percent of all employees who participate in that general benefit area. They answer questions concerning the typical coverage provided to persons with a given medical, dental, and vision care, insurance, defined benefit pension, or defined contribution plan; for example, the percentage of all employees with medical care who receive mental health care coverage.

The third approach provides a close look at an important plan feature (tables 27, 30, 36-52, 54, 56, 59, 63, 64, 67, 68, 71 and 72), such as, the percentage of all employees with accidental death and dismemberment benefits who have coverage

equal to their life insurance benefits. Tables 24 and 65 use a combined approach, indicating in the first row of data the percent of persons who have a particular coverage, while the remainder of the table is based on all employees with that coverage. Table 77 uses both the first and second approaches to provide selected plan features.

This multilevel approach has the advantage of clearly pointing out typical benefit plan characteristics after the incidence of the benefit has been established. Any of the second or third types of tables, if desired, can be converted to the first type by multiplying each data cell by appropriate factors. For example, to calculate the percent of all employees in plans specifying a maximum payment for orthodontia, multiply the percent of those with orthodontia coverage subject to a maximum (85 percent from table 63) by the percent of dental care participants with orthodontia coverage (61 percent from table 60), and multiply that product by the percent of all employees who have dental care coverage (33 percent from table 1). In this example, 17 percent of employees are in plans that impose a maximum on orthodontia payments (.85 x .61 x .33).

Tables 6, 12, 22, 23, 55, 58, and 69 differ from other tables because they display average benefit values rather than percentages of workers. These tables present the averages for all covered employees; calculations exclude workers without the benefit.

### Survey response

The following summary is a composite picture of the establishment responses to the survey:

*Number of establishments:*

In sample .....	4,345
Out of business and out of scope .....	759
Refusing to respond .....	1,095
Responding fully or partially .....	2,491

There are three procedures used to adjust for missing data from partial schedules and total refusals. First, imputations for the number of plan participants are made for cases where this number was not reported (approximately 7 percent of participants in health, 7 percent in retirement and capital accumulation plans, and less than 6 percent of participants in all other types of plans). Each of these participant values is imputed by selecting a similar plan from another establishment with similar employment in a similar industry. The participant rate from this selected plan is then used to approximate the number of participants for the plan that is missing a participation value.

Second, imputations for plan provisions are made where they are not available in a partially responding establishment. These plan provisions are imputed by selecting a similar plan from another establishment with similar employment in a similar industry. The plan provisions from this selected plan are then used to represent the plan that is missing plan provision data. (This was done for about 4 percent of participants in

sickness and accident insurance plans, 9 percent of flexible benefits plan participants, 45 percent of medical, dental, and vision care participants, 21 percent of long-term disability insurance participants, 59 percent of retirement and capital accumulation plan participants, and 11 percent of life insurance plan participants. Imputations were done for less than 1 percent of the participants in paid leave plans.) Because of the high plan provision imputation rate for some benefits, publication of detailed provision estimates was limited.

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

One other form of missing data occurs when an establishment cooperates in the survey but refuses all information concerning one or more of the selected occupations. No adjustment was made for these missing data for this survey; however, methods to impute for these data will be explored for future surveys. If all sampled occupations in cooperating establishments had supplied the requested data, the estimates in this bulletin would represent 47.9 million employees instead of the 44.1 million employees that are represented.

### Survey estimation methods

The survey design uses an estimator that assigns the inverse of each sample unit's probability of selection as a weight to the unit's data at each of the two stages of sample selection. Two weight adjustment factors are applied to the establishment data. The first factor is introduced to account for the establishment nonresponse and a second post-stratification factor is introduced to adjust the estimated employment totals to actual counts of the employment by industry for the survey reference date. These actual employment figures are obtained from the State Unemployment Insurance reports for May 1992.

The general form of the estimator for a population total  $Y$  is:

$$Y = \sum_{i=1}^{n'} \frac{f_{2i} f_{1i}}{P_i} \sum_{j=1}^{o_i} \frac{Y_{ij}}{P_{ij}}$$

where:

- $n'$  = number of responding sample establishments;
- $o_i$  = occupation sample size selected from the  $i^{\text{th}}$  establishment;
- $Y_{ij}$  = value for the characteristics of the  $j^{\text{th}}$  selected occupation in the  $i^{\text{th}}$  selected establishment;
- $P_i$  = the probability of including the  $i^{\text{th}}$  establishment in the sample;
- $P_{ij}$  = the probability of including the  $j^{\text{th}}$  occupation in



- the sample of occupations from the  $i^{\text{th}}$  establishment;
- $f1_i$  = weight adjustment factor for nonresponse for the  $i^{\text{th}}$  establishment;
- $f2_i$  = weight adjustment factor for post-stratification totals for the  $i^{\text{th}}$  establishment.

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

### Reliability of estimates

The statistics in this bulletin are estimates derived from a sample of 7,830 usable occupation quotes selected from the 2,491 responding establishments, rather than tabulations based on data from all employees in the approximately 4.6 million small establishments within scope of the survey. Consequently, the data are subject to sampling errors, as well as nonsampling errors.

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

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

Chart A-1 provides standard errors for use in evaluating the estimates in the 111 tables shown in chapters 1-9 of this bulletin containing percentage estimates. For example, table 1 shows that 53 percent of all full-time employees participated in sick leave plans in 1992. Chart A-1 shows a standard error of approximately 2.75 percent for this estimate. Thus, at the 95-percent level, the confidence interval for this estimate is 47.5 percent to 58.5 percent (53 percent plus and minus 2 times 2.75 percent).

Standard errors for tables 6, 12, 22, 23, and 55 could not be generalized into graphic representation. They are presented as tables A-3, A-4, A-5, A-6, and A-7. For example, the first entry in table 22 shows an average of 7.7 days of paid annual sick leave after one year of service. The standard error for this estimate is 0.32 days.

Standard errors cannot be computed for tables 58 and 69. The rates shown in these tables are projections based on models of the plan provisions.

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

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

For those readers interested in further mathematical details, the next section describes how chart A-1 was derived from 1992 survey data.

### Mathematical details on estimates and generalized standard errors chart

Each estimator used in the production of the tables in this bulletin is approximately normally distributed.

Standard errors for the percentage estimates were computed from a representative portion of the 1992 survey estimates using methodology called "balanced repeated replication". Estimates are produced for each of 64 half-sample replicates, and the variability or standard error is calculated from the 64 half-sample estimates. To simplify their presentation, a curve was fitted to the standard error estimates, by regression techniques (chart A-1).

The curve's equation is:

$$\text{where: } S = P_e^{[a+b\{\ln(P)\}^2 + c\ln(P) + dP]}$$

- S = standard error
- P = percentage estimate from the bulletin
- e = exponential function
- ln = natural logarithm function.

For the 1992 Employee Benefits Survey:

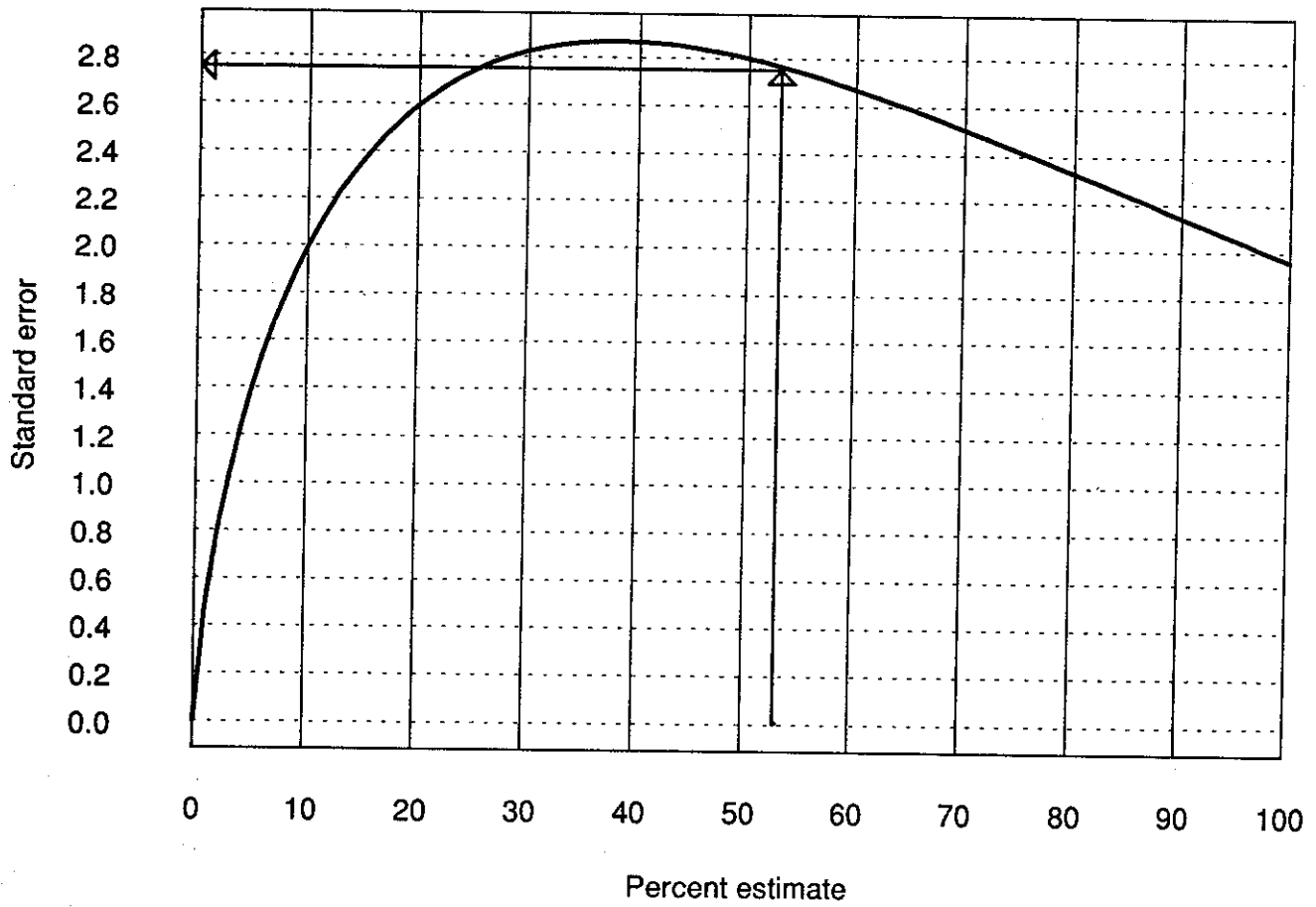
$$a = -0.6824, b = -0.0237, c = -0.2883, \text{ and } d = -0.0142.$$

These are regression coefficients. The curve fits the data with  $R^2 = 0.8473$  and no definite pattern in the residuals.

The equation of the curve was obtained empirically, by starting with the equation:

$$S = a P^b (100 - P)^c.$$

Chart A-1. Generalized standard errors, small private establishments, 1992



**Table A1. Number of establishments and full-time occupational quotes studied and estimated number of full-time workers within scope of survey, small private establishments, United States, 1992**

Industry division <sup>1</sup>	Number of establishments studied	Number of occupational quotes studied <sup>2</sup>			
		Total	Professional, technical, and related	Clerical and sales	Blue-collar and service
All industries .....	2,491	6,666	1,583	2,403	2,680
Manufacturing .....	214	697	93	107	497
Nonmanufacturing .....	2,277	5,969	1,490	2,296	2,183
Mining .....	27	90	7	14	69
Construction .....	258	682	101	82	499
Transportation, communications, electric, gas, and sanitary services	173	487	108	154	225
Wholesale trade .....	295	888	131	412	345
Retail trade .....	391	845	70	409	366
Finance, insurance, and real estate	405	1,236	366	773	97
Services .....	728	1,741	707	452	582
Estimated number of full-time workers within scope of survey					
All industries .....		34,360,241	6,150,853	10,944,882	17,264,505
Manufacturing .....		4,679,786	487,326	636,515	3,555,945
Nonmanufacturing .....		29,680,456	5,663,528	10,308,367	13,708,561
Mining .....		249,178	6,761	16,976	225,440
Construction .....		3,421,600	326,245	336,258	2,759,097
Transportation, communications, electric, gas, and sanitary services		1,773,674	251,080	538,434	984,160
Wholesale trade .....		3,916,273	464,236	1,932,853	1,519,185
Retail trade .....		7,149,870	384,640	2,747,686	4,017,544
Finance, insurance, and real estate		3,068,043	740,657	1,871,363	456,023
Services .....		10,101,817	3,489,908	2,864,798	3,747,111

<sup>1</sup> As defined in the 1987 edition of the *Standard Industrial Classification Manual*, U.S. Office of Management and Budget. Industry data are shown for informational purposes only and are subject to larger than normal sample error. See section on reliability of estimates.

<sup>2</sup> These figures refer to all respondents to the survey, whether or not

they provided data for all items studied. See the section on survey response.

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

**Table A2. Number of establishments and part-time occupational quotes studied and estimated number of part-time workers within scope of survey, small private establishments, United States, 1992**

Industry division <sup>1</sup>	Number of establishments studied	Number of occupational quotes studied <sup>2</sup>			
		Total	Professional, technical, and related	Clerical and sales	Blue-collar and service
All industries .....	2,491	1,164	179	485	500
Manufacturing .....	214	30	1	9	20
Nonmanufacturing .....	2,277	1,134	178	476	480
Mining .....	27	6	1	5	-
Construction .....	258	34	1	17	16
Transportation, communications, electric, gas, and sanitary services	173	54	17	20	17
Wholesale trade .....	295	51	3	24	24
Retail trade .....	391	299	4	166	129
Finance, insurance, and real estate	405	146	9	107	30
Services .....	728	544	143	137	264
Estimated number of part-time workers within scope of survey					
All industries .....		9,758,856	816,320	3,663,138	5,279,398
Manufacturing .....		168,602	6,750	47,173	114,678
Nonmanufacturing .....		9,590,254	809,570	3,615,965	5,164,720
Mining .....		50,851	21,004	29,847	-
Construction .....		144,409	3,229	67,982	73,198
Transportation, communications, electric, gas, and sanitary services		411,127	40,898	100,383	269,846
Wholesale trade .....		187,002	10,055	103,663	73,284
Retail trade .....		5,447,623	28,392	2,122,018	3,297,213
Finance, insurance, and real estate		446,610	21,560	278,137	146,913
Services .....		2,902,632	684,431	913,935	1,304,266

<sup>1</sup> As defined in the 1987 edition of the *Standard Industrial Classification Manual*, U.S. Office of Management and Budget. Industry data are shown for informational purposes only and are subject to larger than normal sample error. See section on reliability of estimates.

<sup>2</sup> These figures refer to all respondents to the survey, whether or not

they provided data for all items studied. See the section on survey response.

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

**Table A-3. Standard errors for table 6 -- Paid holidays and vacations: Average number of days for full-time participants, small private establishments, 1992**

Item	All participants	Professional, technical, and related participants	Clerical and sales participants	Blue-collar and service participants
Paid holidays .....	0.20	0.32	0.28	0.25
Paid vacation by minimum length of service requirement:				
After 1 year .....	.12	.25	.17	.13
After 3 years .....	.13	.24	.22	.13
After 5 years .....	.16	.27	.22	.20
After 10 years .....	.21	.37	.26	.25
After 15 years .....	.24	.38	.30	.28
After 20 years .....	.25	.38	.33	.32
After 25 years .....	.25	.38	.33	.32
After 30 years .....	.24	.38	.33	.33

**Table A-4: Standard errors for table 12 -- Paid vacations: Average number of days for full-time participants by length of service and cash-in/carryover provisions, small private establishments, 1992**

Vacation days by minimum length of service requirement	All plans	Cash-in, carryover, or both	Carryover only	Cash-in only	Cash-in and carryover	No cash-in or carryover
After 1 year .....	0.12	0.24	0.32	0.26	0.98	0.12
After 3 years .....	.13	.19	.24	.19	.93	.15
After 5 years .....	.16	.28	.37	.26	.89	.16
After 10 years .....	.21	.32	.51	.43	.88	.23
After 15 years .....	.24	.38	.59	.48	1.00	.24
After 20 years .....	.25	.40	.65	.51	1.00	.27
After 25 years .....	.25	.40	.66	.54	1.01	.27
After 30 years .....	.24	.40	.66	.54	1.02	.26

days.

NOTE: Computations of average excluded workers with zero vacation

**Table A-5. Standard errors for table 22 -- Paid annual sick leave: Average number of days at full pay for full-time participants, small private establishments, 1992**

Item	All participants	Professional, technical, and related participants	Clerical and sales participants	Blue-collar and service participants
Paid annual sick leave days by minimum length of service requirement:				
After 1 year .....	0.32	0.49	0.42	0.45
After 3 years .....	.36	.51	.54	.48
After 5 years .....	.40	.59	.62	.55
After 10 years .....	.51	.76	.72	.68
After 15 years .....	.62	.92	.77	.78
After 20 years .....	.73	1.07	.87	.85
After 25 years .....	.85	1.19	1.08	.89

**Table A-7. Standard errors for table 55 -- Health care benefits: Average monthly contribution of full-time participants in contributory plans, small private establishments, 1992**

Type of coverage	All participants	Professional, technical, and related participants	Clerical and sales participants	Blue-collar and service participants
<b>All plans</b>				
Employee coverage .....	\$1.21	\$1.60	\$1.71	\$1.91
Family coverage .....	4.22	5.24	7.07	7.84
<b>Health maintenance organizations</b>				
Employee coverage .....	3.41	4.37	6.22	4.09
Family coverage .....	12.24	10.69	23.50	16.62
<b>Non-health maintenance organizations</b>				
Employee coverage .....	1.39	1.91	1.88	2.10
Family coverage .....	5.21	6.44	8.02	8.99

**Table A-6. Standard errors for table 23 -- Paid annual sick leave: Average number of days at full pay for full-time participants by sickness and accident insurance coordination, small private establishments, 1992**

Item	All participants	Professional, technical, and related participants	Clerical and sales participants	Blue-collar and service participants
After 1 year of service:				
With sickness and accident insurance ...	0.2	0.3	0.2	0.3
Without sickness and accident insurance ...	.4	.6	.6	.7
After 3 years of service:				
With sickness and accident insurance ...	.3	.5	.4	.3
Without sickness and accident insurance ...	.5	.7	.8	.7
After 5 years of service:				
With sickness and accident insurance ...	.4	.8	.6	.3
Without sickness and accident insurance ...	.6	.8	.9	.8
After 10 years of service:				
With sickness and accident insurance ...	.7	1.6	1.1	.4
Without sickness and accident insurance ...	.7	.9	1.0	1.0
After 15 years of service:				
With sickness and accident insurance ...	1.0	2.0	1.4	.4
Without sickness and accident insurance ...	.9	1.1	1.1	1.2
After 20 years of service:				
With sickness and accident insurance ...	1.1	2.2	1.7	.4
Without sickness and accident insurance ...	1.0	1.3	1.2	1.3
After 25 years of service:				
With sickness and accident insurance ...	1.2	2.3	1.9	.4
Without sickness and accident insurance ...	1.2	1.4	1.5	1.3

## Appendix B: Availability of the Survey's Data Base

The tables published in this bulletin present the major findings of the employee benefits survey in small private establishments. The survey includes data for both full-time and part-time employees. Results of additional research will appear as occasional articles in the *Monthly Labor Review* or *Compensation and Working Conditions*.

The statistical tables in these publications cover only a portion of the employee benefits information collected. Persons interested in all provisions of a particular benefit studied from the 1981-91 surveys can purchase a set of magnetic tapes containing the survey's data base by writing to: Office of Compensation and Working Conditions, Bureau of Labor Statistics, Washington, D.C. 20212. The 1992 data may be available to the public on magnetic tape in the future. Questions on the availability of these tapes may be sent to the above address.

Because of the Bureau's pledge of confidentiality to survey respondents, the tapes have been carefully screened to remove or alter any data that would reveal the identity of individual establishments. The charge for furnishing the data is limited to the cost of producing the tapes and preparing supporting documentation.

For major benefit items, the BLS survey obtained plan provisions and employee participation data. The magnetic tapes, which consist of a control file and plan data files for each benefit area, may be used to derive national estimates, similar to those published in this bulletin, for other items in the data base. For some data items not presented in this bulletin, however, the data file is insufficient to produce reliable national estimates, because either information on the provisions frequently was not available or the number of employees with the provision was very small. Moreover, the tapes may not yield reliable estimates for individual industries, geographic regions, or establishment size classes. Full documentation accompanies the tapes, including examples of estimating formulas. Although Bureau staff will respond to questions concerning the content of the tapes, technical assistance in developing estimates is limited due to the heavy workload associated with the survey program.

For the 1981-89 and 1991 surveys, data users can purchase individual tapes with details of plans for each of the following benefits or groups of benefits: (1) Medical, dental, and vision care; (2) life insurance; (3) sickness and accident insurance; (4) long-term disability insurance; (5) retirement plans; and (6) time off. A single combined tape is also available that contains data for all of the benefits listed above. For the 1990 survey, only a single tape with selected benefit areas is available.

The plan data file contains provisions for each plan that was reported and for which usable information was available. However, plan identification numbers on the tape are scrambled (and other identifying information is removed) to protect the confidentiality of responding establishments.

Purchasers also receive the control file, which contains establishment information required to produce estimates from the plan data. Control file records include establishment size codes; geographic, industrial, and employee group classification codes; and the weighted number of workers in each employee group. The control file also lists all benefit plans offered in an establishment, with the weighted number of plan participants in each employee group. A plan is listed on more than one control file record if it covers employees in more than one establishment. Although plan identification numbers on the control file are scrambled, the same scrambled numbers appear on the data file so they can be matched to make estimates. Because establishment identification numbers on the control file are scrambled differently for each employee group, it will not be possible to link together plans offered to different employee groups within an establishment.

Benefit provisions obtained from plan documents are recorded in coding manuals (questionnaires) for medical, dental, and vision care, life insurance, sickness and accident insurance, long-term disability insurance, and retirement plans, and are then entered on the plan data file. A set of coding manuals and instructions for completing them are supplied to tape purchasers for interpretation of data on the file. Time off, flexible benefits, and reimbursement account provisions are reported directly on collection forms, copies of which are also provided to tape purchasers.

The analysis of medical, dental, and vision care, life insurance, sickness and accident insurance, long-term disability insurance, and retirement plans is extremely detailed. The following list of medical, dental, and vision care plan provisions included in the 1992 data base gives an indication of the extent of the information available on the magnetic tapes. Coverage of other benefits is similarly detailed.

### Medical, dental, and vision care data base

Plan participation requirements

Employee monthly contribution for employee and family benefits

Pretax status of contributions

Type of plan and funding arrangement

- Medical benefits
- Dental benefits
- Vision benefits
- Effect of retirement
- Hospital coverage
- Alternatives to hospitalization
  - Extended care facility coverage
  - Home health care coverage
  - Hospice coverage
- Surgical coverage
  - In-hospital surgical coverage
  - Second surgical opinion
  - Outpatient surgical coverage
- Physician charges
  - In-hospital coverage
  - Office visit coverage
- Diagnostic x-ray and laboratory testing coverage
- Mental health care benefits
  - In-hospital room and board charges
  - Outpatient mental health care
- Substance abuse benefits
  - In-hospital detoxification care
  - In-hospital rehabilitative care
  - Outpatient care
  - (separate questions for alcohol abuse and drug abuse)
- Other benefits
  - Hearing care
  - Premium incentives
  - Physical examinations
  - Organ transplants
  - Well-baby care
  - Immunization and inoculation
  - Birthing centers
  - Preventive dental care only (examinations and/or x rays)
  - Vision examinations only
- Cost containment features
  - No or limited reimbursement for nonemergency weekend admission to hospital

- Preadmission testing
- Preadmission certification requirements
- Hospital audit program
- Utilization review

- Dental care benefits
  - Who is covered
  - Prophylaxis and routine exams
  - X rays
  - Fillings
  - Surgery—dental
  - Periodontal care
  - Endodontics
  - Inlays
  - Crowns
  - Prosthetics
  - Orthodontia
  - Preauthorization requirement

- Vision care benefits
  - Who is covered
  - Eyeglasses
  - Eye examinations
  - Contact lenses

- Prescription drug benefits
  - Brand name drugs
  - Generic drugs

- Overall limitations
  - Out-of-pocket expense limitation
  - Overall deductible
  - Overall maximum
  - Overall coinsurance

Each medical expense section (e.g., hospitalization, prescription drugs, physician charges) contains information on internal limitations; these limits apply only to that category of care. For example, hospital room and board may have an internal limit of 120 days per confinement. Information on overall limitations is also included in each section, identifying limits that apply to more than one category of care. These overall limitations—deductibles, maximums, coinsurances, and out-of-pocket expense limitations—are then described at the end of the database. Three sets of data on overall limitations are available for plans that include multiple overall limits.

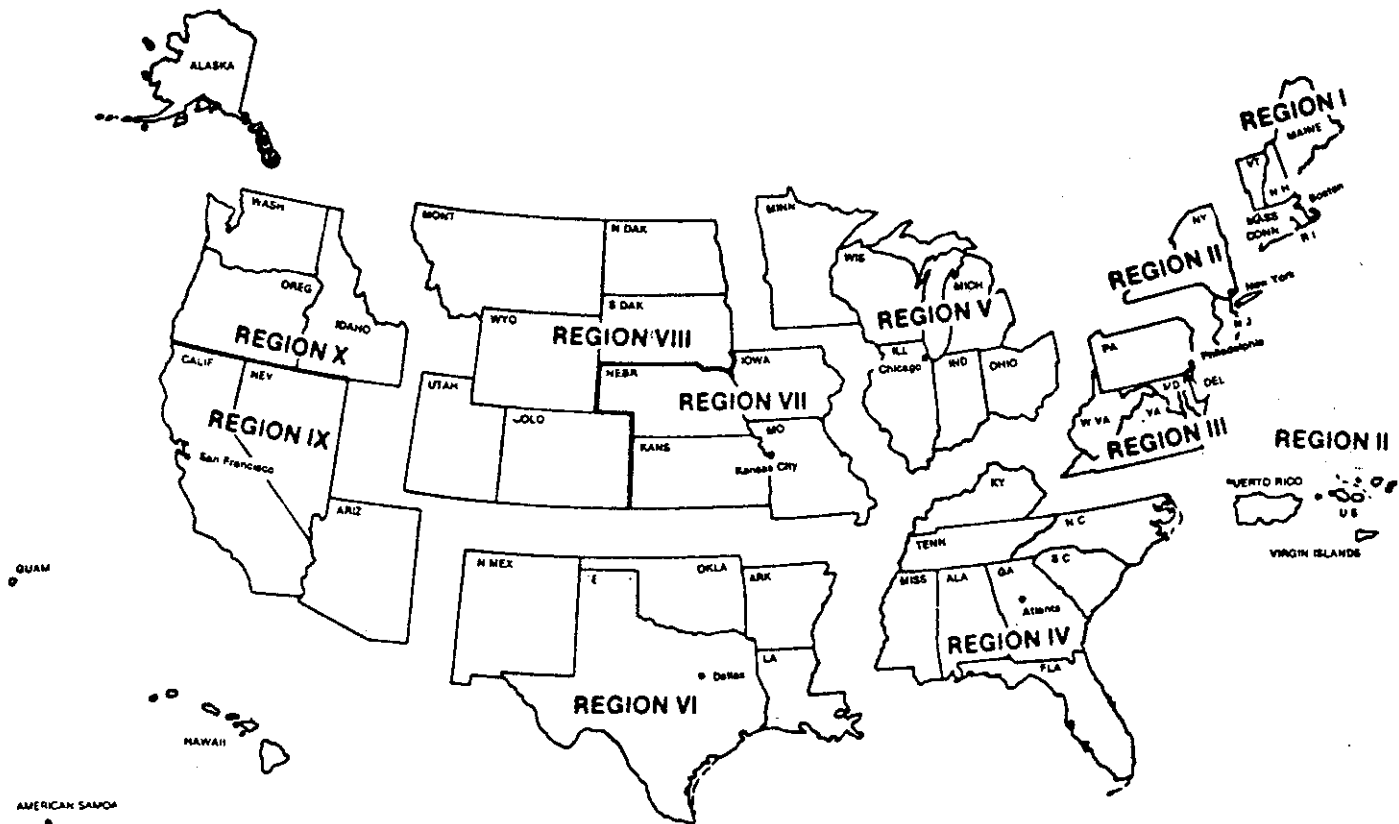




# Bureau of Labor Statistics

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