

# Employee Benefits in Medium and Large Private Establishments, 1995

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Alexis M. Herman, Secretary

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# Preface

This bulletin presents results of a 1995 Bureau of Labor Statistics (BLS) survey of the incidence and detailed provisions of selected employee benefit plans in medium and large private establishments. The survey provides representative data for 40 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 1995 Employee Benefits Survey (EBS) reports on benefits provided to employees in establishments with 100 or more workers in all private nonfarm industries. Between 1979 and 1986, the survey provided benefits data on full-time employees in medium and large establishments, those with either 100 or 250 employees or more, depending on the industry; coverage in the services industries was limited. The 1987 survey examined benefits provided to full-time employees in State and local governments with 50 employees or more. In 1988, 1989, 1991, and 1993, 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 and State and local governments. In 1992 and 1994, the survey covered small private establishments and State and local governments. Currently, small private establishments are surveyed in even-numbered years, and medium and large private establishments are surveyed in odd-numbered years.

The 1995 Employee Benefits Survey bulletin provides a "survey highlights" section (chapter 1) with a number of key findings for major benefits, such as time-off; disability; medical, dental, and vision care; life insurance; and defined benefit and defined contribution plans. Individual chapters provide general information and details describing the benefit provisions, along with the respective tables for each benefit.

Data for this bulletin were compiled and analyzed in the Division of Compensation Data Analysis and Planning by Cathy Baker, Kenneth Elliott, Mahin Eslami, Ann Foster, Jef Foster, Avy Graham, Jake Kane, Jonathan Kelinson, Marc Kronson, James Moore, Hilery Simpson, Cynthia Thompson, Jerline Thompson, and Arthur Williams, under the direction of Allan Blostin and John Morton. Cathy Baker, James Moore, and Albert Schwenk prepared most of the tables. Natalie Kramer and James Houff prepared the survey analysis.

Other table preparation, computer programming, and systems design for the survey were provided by Mary Constable, Aholivah Maier, Lien Nham, Pat O'Brian, and Cheryl Sims of the Division of Directly Collected Periodic Surveys, under the direction of Leslie Chappel. Christina L. Harpenau, Thomas Kelly, and Charlotte Mueller of the Statistical Methods Group (Office of Compensation and Working Conditions) were responsible for the sample design, nonresponse adjustments, sample error computations, and other statistical procedures, under the direction of Terry Burdette. Fieldwork for the survey was directed by the Bureau's Assistant Regional Commissioners for Operations.

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The public may access Employee Benefits Survey data through the Bureau of Labor Statistics' World Wide Web site at: <http://stats.bls.gov/ebshome.htm>

Questions on data in this publication should be referred to the staff of the Employee Benefits Survey at (202) 606-6222 or via E-mail: [ocltinfo.bls.gov](mailto:ocltinfo.bls.gov). Sensory impaired individuals may obtain information in his 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 *Catching the Big One* by Norman Rockwell, (c) 1929, The Curtis Publishing Company.

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# Chapter 1.

## Results of the 1995 Survey

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The Bureau's 1995 survey of medium and large establishments in private industry provides data on employee work schedules and develops information on the incidence and detailed characteristics of employee benefits paid for, at least in part, by the employer.<sup>1</sup> These benefits include holidays, vacations, and personal, funeral, jury-duty, military, parental, and sick leave; short-term disability plans; long-term disability and life insurance; medical, dental, and vision care; and private retirement plans. Because the survey data are limited to formal plans, this bulletin may understate the extent of such benefits as personal leave.

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

This chapter presents the major highlights of the survey. Detailed information on the provisions of the benefits studied appears in chapters 2 through 8.

For the 1995 survey of benefits in medium and large private establishments, BLS collected information for both full-time and part-time employees. Employees were classified as either full-time or part-time workers in accordance with their employers' practices. Part-time workers typically are scheduled to work fewer hours per week than full-time workers engaged in the same type of work activity. In addition, data were also collected on the incidence of employee benefits by union status, broad industry groupings, and broad geographic regions.

Among the most frequently observed benefits provided to full-time employees in medium and large private establishments in 1995 were: Medical care, outpatient prescription drugs, dental care, life insurance, defined benefit and defined contribution plans, holidays, vacations, paid sick leave and short-term disability plans; the majority of full-time workers received these benefits (tables 1-2). In contrast, benefits such as paid family leave, personal leave, and long-term disability insurance were less prevalent.

### Highlights

#### Work schedules, paid time off, and family leave

Eighty-three percent of full-time employees had weekly work schedules of 40 hours, based on five 8-hour days. All

but 5 percent of the full-time employees were on a fixed work schedule. (See chapter 2.)

Paid vacations, provided to most full-time employees, averaged 9.6 days after 1 year of service, 16.9 days after 10 years of service, and 22.0 days after 30 years of service. Many full-time employees covered by vacation plans were required to work a specified period of time before being allowed to take a vacation, most commonly 1 year. Just over one-third were allowed to carry-over at least some of their unused vacation days into the following year; one-fifth could cash in some or all of their vacation days at the end of the year. Some employees were allowed to do both.

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

- 9 holidays<sup>2</sup> per year;
- 3 days of funeral leave per occurrence;
- Jury duty leave as needed;
- 3 personal leave days per year;
- 15 days of paid military leave per year.

Unpaid family leave was available to 84 percent of full-time employees; paid family leave plans were almost nonexistent.

#### Disability benefits

Employees may be protected from loss of income during short-term illnesses or injuries by sick leave, short-term disability, or both.<sup>3</sup> (See chapter 3.) For longer term or permanent disabilities, employees may have long-term disability insurance to replace their incomes. Paid sick leave was provided to 58 percent of full-time workers, and short-term disability benefits to 53 percent. Forty-two percent of full-time employees were covered by long-term disability (LTD) insurance. Paid sick leave and LTD insurance were more prevalent among white-collar workers.

Survey data on paid sick leave indicate 9 out of 10 covered full-time workers were allowed a fixed number of days per year, with the average being 11.5 days after 1 year of service, 17.6 days after 5 years, 23.6 days after 15 years, and 27.7 days after 25 years. About half of full-time employees covered by annual sick leave plans were in plans that allowed them to carry over and accumulate unused sick leave from year to year.

## Results of the 1995 Survey

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Of those workers in plans with carry-over provisions, 80 percent had limits. Of the workers with short-term disability benefits:

- 86 percent of the full-time employees with short term disability benefits were in funded plans, usually self-insured or insured by a commercial carrier;
- Just over half (54 percent) of those with funded short-term disability had their benefits determined by a fixed percentage of earnings, usually 50, 60, or 67 percent;
- Those with earnings-based benefits typically had a dollar limit on the amount of the weekly benefits, averaging \$470;
- A flat dollar amount per week was commonly provided; the average was \$170;
- 57 percent of those in funded plans had an eligibility requirement before they could join, usually less than 5 months.

Ninety-one percent of full-time workers with long-term disability protection, received their benefit as a fixed percent of predisability earnings, the most common benefit being 60 percent. Most workers in plans that based benefits on percent of earnings benefits had them limited to a monthly dollar maximum, averaging \$7,277 per month. Other LTD features included:

- 42 percent of participants had to wait 6 months after the onset of disability before they received LTD payment;
- Two-thirds had to meet an eligibility requirement, usually between 1 and 12 months.

### Medical, dental, and vision care

Seventy-seven percent of full-time workers in medium and large private establishments participated in medical care plans. (See chapter 4.) However, only 57 percent of full-time employees participated in a dental care plan, and 24 percent had vision care coverage. Sixty-one percent of participants in medical care plans were covered by non-traditional plans, that is, health maintenance organizations (HMO's) or preferred provider organizations (PPO's). HMO's covered 27 percent of full-time workers with medical care benefits while PPO's covered 34 percent.

For full-time employees participating in medical care plans:

- Nine out of 10 participants in traditional fee-for-service plans were subject to an annual deductible for their medical care coverage; the average was \$264;
- The percentage of expenses paid by the plan varied between traditional fee-for-service plans and PPO's; traditional fee-for-service plans normally paid 80 percent, while PPO's frequently paid 80 to 90 percent;

- 83 percent of participants in non-HMO plans had an individual limit on out-of-pocket expenses; the average limit was \$1,358;
- 70 percent of non-HMO participants had a lifetime maximum apply to their benefits, most frequently \$1,000,000.

Coverage for selected medical services varied:

- All participants in medical care plans had coverage for hospital room and board; most medical care participants were also covered by physicians visits, surgery, and diagnostic x-ray and laboratory services;
- Coverage for alternatives to hospitalization, such as stays in an extended care facility and home health care, was available to about three-fourths of all medical participants; these two alternatives to hospitalization were more commonly covered under HMO's than non-HMO's.

A variety of managed care features were included in medical care plans. For example, 65 percent of workers in non-HMO plans were required to get preadmission certification before hospitalization. Second surgical opinion provisions applied to 53 percent of the non-HMO participants; in many cases, penalties were assessed for not obtaining second opinions. Nine out of 10 PPO participants who had coverage for hospital room and board, surgery, and physicians in-hospital visits received higher reimbursements for their expenses if care was received at specified hospitals; outpatient prescription drugs were not usually subject to an incentive for using preferred providers.

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

- Four out of 10 prescription drug plan participants received higher reimbursement for obtaining generic rather than brand name prescriptions;
- Mail order drug programs were available to about one-third of prescription drug coverage participants;
- Prescription drugs were usually not fully covered.

Mental health care and alcohol and drug abuse treatments were subject to more restrictive provisions than medical treatment for other ailments. The majority of those with coverage for inpatient health benefits had more restrictive hospital coverage for mental illness than for other ailments; outpatient mental health care coverage was even more restrictive.

Other medical features reveal:

- 64 percent of full-time participants were required to complete an eligibility requirement before being able to join, usually 3 months or less;

- 54 percent of non-HMO participants were in plans with a “pre-existing condition” clause;
- 46 percent of participants were in plans that provided medical care coverage after retirement; the employer usually paid at least part of the cost.

Among dental care participants:

- Virtually all had coverage for preventive and restorative and surgical dental procedures, and just over 70 percent had coverage for orthodontia;
- The overwhelming majority of participants were reimbursed a percent of the usual, customary, and reasonable charge for all dental procedures;
- 59 percent of workers were in plans that required annual deductible, most commonly \$50, to be paid before plan benefits would begin;
- 82 percent of participants were in plans that specified an annual maximum benefit; the most prevalent was \$1,000;
- Among participants with orthodontic services, 83 percent were in plans imposing a separate lifetime maximum benefit, usually \$1,000 or more.

Data for vision care coverage reveal:

- All participants had eyeglass coverage; with a few exceptions, vision care participants had coverage for eye examinations and contact lenses;
- The overwhelming majority of participants in vision care plans were subject to limitations, often a scheduled dollar allowance per benefit.

### Life insurance

In 1995, life insurance protection was available to 87 percent of full-time employees in medium and large establishments. (See chapter 5.) Among full-time employees with life insurance protection:

- 56 percent were covered by a fixed multiple-of-earnings formula, usually one or two times earnings; this formula was more prevalent among white-collar workers than blue-collar workers;
- A flat dollar amount of insurance, regardless of earnings, covered 43 percent of participants; this type of benefit was more common among blue-collar workers than white-collar workers;
- 59 percent of participants had supplemental coverage although in most cases the employee paid the full cost;
- About half of the participants had dependent life insurance protection; two-thirds had to pay the full cost of coverage;

- 37 percent of participants were in plans that provided re-tiree coverage, with the employer usually paying the full cost.

Accidental death and dismemberment insurance was available to 67 percent of full-time employees. This insurance provides additional benefits if a worker dies or loses an eye or a limb in an accident.

### Defined benefit and defined contribution plans

Eighty percent of all full-time workers were covered by at least one retirement plan in 1995. Defined benefit plans, which specify a formula for determining future benefits, were available to half of full-time employees in medium and large establishments. (See chapter 6.)

Seventy percent of participants in traditional defined benefit pension plans were in plans with formulas based on earnings. The most common formula was based on earnings during the final years of employment (terminal-earnings formulas), such as 5 consecutive years during the last 10 years of employment.

Sixty-two percent of participants in plans with terminal-earnings formulas had benefits that varied by service, earnings, or by both; most of the remaining participants in these plans received a flat percent of earnings, averaging 1.45 percent per year of service.

White-collar participants normally were covered by plans with earnings-based formulas, and usually had benefits integrated with Social Security. Blue-collar workers, in contrast, were more often covered by formulas that specified a dollar amount to be paid for each year of service, and were less likely to have their benefits integrated with Social Security. Dollar amount formulas, averaging about \$28.47 a month per year of service, applied to benefits of nearly one-fourth of pension plan participants.

Other key findings for defined benefit participants include:

- Common eligibility requirements for a normal, or unreduced, pension were: Age 65 with no specified length of service, age 65 with 5 years of service, and age 62 with 10 years of service;
- 83 percent of covered workers could retire with a reduced pension at age 55 or earlier, most often after 5 or 10 years of service;
- 73 percent of pension plan participants were covered by some type of disability retirement, often with provisions for immediate unreduced benefits;
- 87 percent of pension plan participants could become vested or had a guaranteed right to their accrued pension benefits after working 5 years;
- 8 percent of covered workers were in plans that allowed the

portability or transfer of pension credits from one employer to another.

Defined contribution plans specify employer and employee contributions but do not guarantee future benefits. Such plans can be vehicles for financing retirement benefits if funds can not be withdrawn easily, or they may be shorter term capital accumulation plans if periodic withdrawals are allowed. Defined contribution plans were available to 55 percent of the full-time workers and were more prevalent among white-collar than blue-collar workers. (See chapter 7.)

The most common types of defined contribution plans were savings and thrift plans and deferred profit-sharing plans. Forty-one percent of full-time workers were enrolled in a savings and thrift plans, while 13 percent of full-time workers were covered by a deferred profit-sharing plan. Principal findings include:

- The most common employer-matching rate in a savings and thrift plan was 50 percent up to the first 6 percent of earnings saved by the employee;
- Three out of 4 participants in savings and thrift plans could choose how they wanted their own contributions invested; 3 out of 5 could choose how they wanted employer contributions invested;
- Prior to normal payout at retirement, disability, or termination of employment, 43 percent of the participants in savings and thrift plans were allowed to withdraw all or a portion of employer contributions;
- 44 percent of participants in savings and thrift plans were allowed to borrow from their accounts, usually at any time;
- 62 percent of the participants in deferred profit-sharing plans were in plans that had employer contributions based on a specific formula; the remainder were in discretionary employer contributions plans;
- Two-thirds of participants in savings and thrift plans had to meet a service requirement before beginning to accumulate benefits, and three-fourths of deferred profit-sharing plan participants had to meet such requirements, normally 1 year.

A large majority of employees enrolled in one or more defined contribution plans were allowed to choose between receiving taxable income currently or placing the money in a retirement account and deferring taxation. These cash or deferred arrangements, known as 401(k) plans, usually took the form of salary reduction plans with employer contributions. (See table 1.) Key findings include:

- 401(k) plan features usually cover participants in savings and thrift plans;

- 83 percent of employees participating in 401(k) salary reduction plans could make contributions based on their earnings, commonly 10, 15, and 16 percent of earnings; maximum pretax contributions averaged 13.1 percent;
- 38 percent of employees in 401(k) salary reduction plans were allowed to transfer or “rollover” distributions received from a former employer.

### Flexible benefits plans and reimbursement accounts

Employees may receive benefits independently or as part of a package, complete with options, known as a flexible-benefits or cafeteria plan. (See chapter 8.) Among full-time employees, 12 percent had flexible-benefits plans, and 38 percent were covered by separate employer-sponsored reimbursement accounts.

Reimbursement accounts allow employees to use pretax dollars to pay for certain expenses not covered by benefit plans. Expenses include premiums for insurance benefits, typically health care benefits. Such plans, frequently referred to as premium conversion plans, covered 5 percent of the full-time employees. In addition:

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

### Other benefits

The survey estimated the incidence of 14 other benefits in addition to the major benefits just described (tables 3-4). These data show the percent of workers *eligible* for a specific benefit, but not the proportion of employees actually taking advantage of that benefit.

Of these benefits, data reveal the following for full-time employees:

- About two-thirds were eligible for job-related educational assistance;
- Non-job related educational assistance was only offered to about one-fifth of workers;
- 34 percent were eligible to be in employee wellness programs;
- Employee assistance programs were available to 58 percent of the workers;
- Such benefits as long-term care insurance, and child-care benefits, were offered to less than 1 out of 10 workers.

### Plan administration

In addition to collecting the data on individual benefit plans,

the survey looked at how insurance and retirement benefits were administered (table 5). At least nine-tenths of full-time participants were in single-employer plans for life insurance, medical care, defined benefit pensions, and savings and thrift plans. Four-fifths of short-term disability and long-term dis-

ability insurance participants were in single-employer plans. Most of the remaining employees with short-term disability benefits were covered by mandated benefits such as State temporary disability insurance plans in New York and New Jersey.

### —ENDNOTES—

<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 an employee or retiree must pay for such coverage fully. This is because the guarantee of insurability and availability of coverage at group premium rates can be considered a benefit. In addition, reimbursement accounts, salary reduction plans, and family leave plans are tabulated even if the employer bears no cost beyond administrative expenses.

<sup>2</sup> The method used to calculate the average number of paid holidays has been revised to count partial days more precisely. Average holidays in 1995

are not comparable to those reported in the 1991 and 1993 surveys of medium and large private establishments.

<sup>3</sup> The definitions of paid sick leave and short-term disability (previously, sickness and accident insurance) were changed for the 1995 survey. Paid sick leave now only includes plans that either specify a maximum number of days per year or unlimited days. Short-term disability now includes all insured, self-insured, and state-mandated plans available on a per-disability basis as well as the unfunded per disability plans previously reported as sick leave. Sickness and accident insurance, reported in years prior to this survey, only included insured, self-insured, and state-mandated plans providing per disability benefits at less than full pay.

### **A Note on the Table**

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. The key to using these tables is understanding the group of employees about whom data are presented; this information is contained in the first row of each table. Some tables indicate the percent of all employees covered by the survey who have a certain benefit; other tables show the percent of employees covered by a certain benefit who have a certain plan feature.

For example, table 1 indicates that 77 percent of all full-time employees were covered by a medical care plan. In chapter 4, most of the tables present data on the percent of workers with medical care who have certain provisions. Workers with medical care equal 100 percent in these tables, with smaller percentages indicating the availability of plan features. For example, in table 49, 100 percent refers to those workers with medical care plans, and 37 percent indicates those workers with medical care covered by a fee-for-service plan.

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

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

**Table 1. Summary: Participation<sup>1</sup> in selected employee benefit programs, full-time employees, medium and large private establishments, 1995 (In percent)**

Benefit	All employees	Professional, technical, and related employees	Clerical and sales employees	Blue-collar and service employees
Paid time off:				
Holidays .....	89	88	93	88
Vacations .....	96	97	99	94
Personal leave .....	22	24	34	15
Funeral leave .....	80	83	85	75
Jury duty leave .....	85	91	89	79
Military leave .....	44	59	45	35
Family leave .....	2	3	2	1
Unpaid family leave .....	84	89	86	80
Disability benefits <sup>2</sup> :				
Paid sick leave .....	58	74	78	39
Short-term disability .....	53	48	52	57
Long-term disability insurance .....	42	60	53	26
Survivor benefits:				
Life insurance .....	87	93	89	83
Accidental death and dismemberment .....	67	70	66	65
Survivor income benefits .....	6	6	4	6
Health care benefits:				
Medical care .....	77	80	76	75
Dental care .....	57	66	57	51
Vision care .....	24	29	23	22
Outpatient prescription drug coverage .....	74	77	74	73

See footnotes at end of table.

**Table 1. Summary: Participation<sup>1</sup> in selected employee benefit programs, full-time employees, medium and large private establishments, 1995 (In percent) — Continued**

Benefit	All employees	Professional, technical, and related employees	Clerical and sales employees	Blue-collar and service employees
Retirement income benefits:				
All retirement <sup>3</sup> .....	80	87	85	73
Defined benefit .....	52	53	55	50
Defined contribution <sup>4</sup> .....	55	67	64	45
Savings and thrift .....	41	50	47	32
Deferred profit sharing ....	13	14	15	10
Employee stock ownership .....	5	5	7	4
Money purchase pension .....	7	13	6	5
Stock bonus .....	2	1	4	( <sup>5</sup> )
Cash or deferred arrangements (401(k) plans):				
With employer contributions .....	45	55	50	37
Salary reduction .....	44	54	49	35
Savings and thrift <sup>6</sup> .....	37	46	41	29
Deferred profit sharing .....	5	4	6	5
Other .....	2	3	1	2
Deferral of profit sharing allocation .....	2	1	1	2
No employer contributions ..	9	13	8	7

<sup>1</sup> Participants are workers covered by a paid time off, insurance, or retirement 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. Except for family leave, 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> The definitions for paid sick leave and short-term disability (previously sickness and accident insurance) were changed for the 1995 survey. Paid sick leave now only includes plans that either specify a maximum number of days per year or unlimited days. Short-term disability now includes all insured, self-insured, and state-mandated plans available on a per disability basis as well as the unfunded per disability plans previously reported as sick leave. Sickness and accident insurance, reported in years prior to this survey, only included insured, self-insured, and state-mandated plans providing per disability benefits at less than full pay.

<sup>3</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>4</sup> The total is less than the sum of the individual items because some employees participated in more than one type of plan.

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

<sup>6</sup> Participants in savings and thrift plans usually are allowed to make pretax contributions. In the 1995 survey, provisions governing pretax contributions were not determinable for about one-tenth of the employees with savings and thrift plans.

NOTE: Because of rounding, sums of individual items may not equal totals. Where applicable, dash indicates no data were reported.

**Table 2. Summary: Participation<sup>1</sup> in selected employee benefit programs, full-time employees, medium and large private establishments, 1995**

Benefit	All employees	Professional, technical, and related employees	Clerical and sales employees	Blue-collar and service employees
Total number of employees .....	33,373,969	9,366,025	8,104,860	15,903,083
Paid time off:				
Holidays .....	29,780,582	8,199,894	7,543,495	14,037,193
Vacations .....	31,913,506	9,038,279	7,999,339	14,875,888
Personal leave .....	7,372,202	2,253,258	2,752,675	2,366,268
Funeral leave .....	26,715,290	7,813,598	6,927,456	11,974,236
Jury duty leave .....	28,353,739	8,566,393	7,250,328	12,537,018
Military leave .....	14,807,099	5,543,483	3,673,529	5,590,086
Family leave .....	545,816	273,932	168,972	102,913
Unpaid family leave .....	28,033,237	8,315,225	6,954,574	12,763,438
Disability benefits <sup>2</sup> :				
Paid sick leave .....	19,466,591	6,906,477	6,312,139	6,247,975
Short-term disability .....	17,808,848	4,498,877	4,205,061	9,104,910
Long-term disability insurance .....	14,143,790	5,663,673	4,306,796	4,173,320
Survivor benefits:				
Life insurance .....	29,078,205	8,720,570	7,227,177	13,130,457
Accidental death and dismemberment .....	22,240,709	6,549,858	5,322,154	10,368,697
Survivor income benefits ....	1,878,078	543,578	305,654	1,028,846
Health care benefits:				
Medical care .....	25,545,758	7,466,514	6,157,920	11,921,324
Dental care .....	18,866,181	6,217,109	4,603,174	8,045,898
Vision care .....	8,021,332	2,687,678	1,846,239	3,487,416
Outpatient prescription drug coverage .....	24,770,279	7,199,337	6,020,336	11,550,606

See footnotes at end of table.

**Table 2. Summary: Participation<sup>1</sup> in selected employee benefit programs, full-time employees, medium and large private establishments, 1995 — Continued**

Benefit	All employees	Professional, technical, and related employees	Clerical and sales employees	Blue-collar and service employees
Retirement income benefits:				
All retirement <sup>3</sup> .....	26,662,168	8,130,015	6,910,422	11,621,730
Defined benefit .....	17,416,552	4,986,905	4,450,283	7,979,365
Defined contribution <sup>4</sup> .....	18,486,281	6,242,248	5,156,842	7,087,190
Savings and thrift .....	13,561,579	4,701,837	3,787,741	5,072,001
Deferred profit sharing ....	4,204,640	1,306,157	1,234,543	1,663,940
Employee stock ownership .....	1,706,270	498,842	551,911	655,517
Money purchase pension .....	2,474,377	1,255,413	491,500	727,465
Stock bonus .....	504,408	128,915	311,138	64,354
Cash or deferred arrangements (401(k) plans):				
With employer contributions .....	15,156,177	5,186,660	4,057,042	5,912,475
Salary reduction .....	14,646,034	5,056,350	3,978,947	5,610,737
Savings and thrift <sup>5</sup> .....	12,267,339	4,302,794	3,359,361	4,605,184
Deferred profit sharing .....	1,605,503	394,481	493,810	717,212
Other .....	680,198	301,621	102,314	276,262
Deferral of profit sharing allocation .....	510,143	130,310	78,095	301,738
No employer contributions ..	3,093,795	1,250,668	662,016	1,181,111

<sup>1</sup> Participants are workers covered by a paid time off, insurance, or retirement 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. Except for family leave, 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> The definitions for paid sick leave and short-term disability (previously sickness and accident insurance) were changed for the 1995 survey. Paid sick leave now only includes plans that either specify a maximum number of days per year or unlimited days. Short-term disability now includes all insured, self-insured, and state-mandated plans available on a per disability basis as well as the unfunded per disability plans previously reported as sick leave. Sickness and accident insurance, reported in years prior to this survey, only included insured, self-insured, and state-mandated plans providing per disability benefits at less than full pay.

<sup>3</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>4</sup> The total is less than the sum of the individual items because some employees participated in more than one type of plan.

<sup>5</sup> Participants in savings and thrift plans usually are allowed to make pretax contributions. In the 1995 survey, provisions governing pretax contributions were not determinable for about one-tenth of the employees with savings and thrift plans.

NOTE: Because of rounding, sums of individual items may not equal totals. Where applicable, dash indicates no data were reported.

**Table 3. Other benefits: Eligibility for specified benefits, full-time employees, medium and large private establishments, 1995 (In percent)**

Benefit	All employees	Professional, technical, and related employees	Clerical and sales employees	Blue-collar and service employees
Income continuation plans:				
Severance pay .....	35	47	43	24
Supplemental unemployment benefits .....	4	1	1	6
Family benefits:				
Employer assistance for child care <sup>1</sup> .....	8	15	7	3
Employer provided funds .....	4	7	4	2
On-site child care ..	3	8	2	1
Off-site child care ..	1	2	1	( <sup>2</sup> )
Adoption assistance	11	18	12	6
Long-term care insurance .....	6	8	9	4
Flexible workplace ....	2	5	2	1
Health promotion programs:				
Wellness programs ...	34	47	32	27
Employee assistance programs .....	58	72	60	49
Fitness center .....	19	31	16	13
Miscellaneous benefits:				
Job-related travel accident insurance ..	41	58	47	28
Nonproduction bonuses .....	39	40	37	38
Subsidized commuting .....	5	8	5	3
Education assistance:				
Job-related .....	65	79	65	56
Not job-related .....	18	25	17	15
Section 125 cafeteria benefits <sup>3</sup> : .....	55	77	66	37
Flexible benefit plans	12	20	15	7
Reimbursement plans	38	53	46	25
Premium conversion plans .....	5	4	5	5

<sup>1</sup> Occupations may have access to more than one type of assistance for child care. Not all types of assistance are shown separately. Therefore, the sums of individual items may not equal the totals.

<sup>2</sup> Less than 0.05 percent.

<sup>3</sup> Includes all types of plans under Internal Revenue Code Section 125. Flexible benefits plans include reimbursement account features.

NOTE: Because of rounding, sums of individual items may not equal totals. Where applicable, dash indicates that no data were reported.

**Table 4. Other benefits: Eligibility for specified benefits, full-time employees, medium and large private establishments, 1995**

Benefit	All employees	Professional, technical, and related employees	Clerical and sales employees	Blue-collar and service employees
Total number of employees .....	33,373,969	9,366,025	8,104,860	15,903,083
Income continuation plans:				
Severance pay .....	11,752,594	4,423,922	3,461,884	3,866,788
Supplemental unemployment benefits .....	1,175,113	101,441	104,119	969,553
Family benefits:				
Employer assistance for child care <sup>1</sup> .....	2,527,212	1,398,635	593,543	535,033
Employer provided funds .....	1,279,502	675,469	355,384	248,648
On-site child care ..	1,144,119	758,681	201,732	183,705
Off-site child care ..	423,804	229,519	116,388	77,896
Adoption assistance	3,588,606	1,650,480	988,992	949,133
Long-term care insurance .....	2,087,765	747,466	751,016	589,283
Flexible workplace ....	705,761	439,358	180,619	85,784
Health promotion programs:				
Wellness programs ...	11,288,509	4,425,556	2,568,610	4,294,343
Employee assistance programs .....	19,323,683	6,769,726	4,825,605	7,728,352
Fitness center .....	6,180,117	2,871,018	1,294,394	2,014,705
Miscellaneous benefits:				
Job-related travel accident insurance ..	13,758,934	5,476,248	3,774,010	4,508,677
Nonproduction bonuses .....	12,919,404	3,777,467	3,020,092	6,121,845
Subsidized commuting .....	1,547,130	749,648	393,235	404,247
Education assistance:				
Job-related .....	21,563,913	7,361,142	5,291,165	8,911,606
Not job-related .....	6,077,329	2,317,889	1,365,224	2,394,216
Section 125 cafeteria benefits <sup>2</sup> : .....	18,421,559	7,178,193	5,370,399	5,872,968
Flexible benefit plans	4,086,002	1,842,611	1,202,510	1,040,882
Reimbursement plans	12,686,085	4,975,847	3,738,134	3,972,104
Premium conversion plans .....	1,649,472	359,735	429,755	859,981

<sup>1</sup> Occupations may have access to more than one type of assistance for child care. Not all types of assistance are shown separately. Therefore, the sums of individual items may not equal the totals.

<sup>2</sup> Includes all types of plans under Internal Revenue Code Section 125. Flexible benefits plans include reimbursement account features.

NOTE: Because of rounding, sums of individual items may not equal totals. Where applicable, dash indicates that no data were reported.

**Table 5. Plan administration: Type of plan sponsor for selected employee benefit programs, full-time employees, medium and large private establishments, 1995 (In percent)**

Plan sponsor	Medical care	Life insurance	Short-term disability	Long-term disability insurance	Defined benefit pension	Savings and thrift
<b>All participants</b>						
Total .....	100	100	100	100	100	100
Single employer .....	95	95	82	86	90	99
Multiemployer <sup>1</sup> .....	5	4	6	3	9	( <sup>2</sup> )
Mandated benefits <sup>3</sup> .....	—	( <sup>2</sup> )	12	—	( <sup>2</sup> )	—
Employer association <sup>4</sup> .....	( <sup>2</sup> )	( <sup>2</sup> )	—	1	( <sup>2</sup> )	1
Not determinable .....	—	( <sup>2</sup> )	—	10	—	—
<b>Professional, technical, and related</b>						
Total .....	100	100	100	100	100	100
Single employer .....	98	99	85	89	96	99
Multiemployer <sup>1</sup> .....	1	1	1	( <sup>2</sup> )	3	( <sup>2</sup> )
Mandated benefits <sup>3</sup> .....	—	( <sup>2</sup> )	14	—	1	—
Employer association <sup>4</sup> .....	1	1	—	1	( <sup>2</sup> )	1
Not determinable .....	—	( <sup>2</sup> )	—	10	—	—
<b>Clerical and sales</b>						
Total .....	100	100	100	100	100	100
Single employer .....	97	98	80	90	93	99
Multiemployer <sup>1</sup> .....	3	2	3	1	7	( <sup>2</sup> )
Mandated benefits <sup>3</sup> .....	—	( <sup>2</sup> )	16	—	—	—
Employer association <sup>4</sup> .....	( <sup>2</sup> )	( <sup>2</sup> )	—	1	( <sup>2</sup> )	1
Not determinable .....	—	( <sup>2</sup> )	—	8	—	—
<b>Blue-collar and service</b>						
Total .....	100	100	100	100	100	100
Single employer .....	92	92	81	77	86	99
Multiemployer <sup>1</sup> .....	8	8	9	9	14	1
Mandated benefits <sup>3</sup> .....	—	—	10	—	—	—
Employer association <sup>4</sup> .....	( <sup>2</sup> )	—	—	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )
Not determinable .....	—	( <sup>2</sup> )	—	13	—	—

<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> Less than 0.05 percent.

<sup>3</sup> The majority of the participants with mandated short-term disability 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>4</sup> Band of medium and large employers in a common trade or business, for example, savings and loan associations. The plan sponsored by the association is not negotiated with the employees.

NOTE: Because of rounding, sums of individual items may not equal totals. Where applicable, dash indicates that no data were reported.

## Chapter 2.

# Work Schedules, Paid Time Off, and Family Leave

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**M**ost full-time employees work a 40-hour week. Time off with pay is available to employees in several different forms—from daily personal leave to annual vacations of several weeks per year. EBS covers the following paid time-off benefits: Holidays and vacations; personal, funeral, jury-duty, and military leave. Paid and unpaid family leave are also surveyed. (Information on paid sick leave is discussed under Disability Benefits and appears in chapter 3.)

### Work schedules

Work schedules of 40 hours per week are predominant among the full-time employees covered by this survey. However, alternatives, such as 35 or 37<sup>1</sup>/<sub>2</sub> hours per week, are found among white-collar workers. A large majority of the workforce is scheduled to work five 8-hour days (table 6).

A small number of workers studied have formal flexible work arrangements, which give employees the opportunity to begin and end work within a range of hours (table 7). Limits on the amount of flexibility vary from plan to plan but, generally, employees have to be at work during midday core hours. A few other workers have a specified rotating work cycle or a non-fixed work schedule.

### Paid time off

*Paid holidays.* Paid holidays, approximately 9 days per year, are provided to most full-time employees. Floating holidays and “personal holidays,” such as employee birthdays, are included in the holiday plans reported (tables 8-9).

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

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

When a holiday falls on a scheduled day off, such as Saturday or Sunday, another day off is often substituted.

*Paid vacations.* Paid vacations are provided to almost all full-time employees. Usual vacation pay provisions for all employees are 5 or 10 days at 1 year of service, 15 or 20 days at 10 years, and 20 to 30 days at 20 years or more (table 10).

Plan covering white-collar employees, on average, provide slightly more vacation days than those covering blue-collar employee (table 8).

Most employees covered by vacation plans were required to complete a specified period of time before being able to take a vacation (table 11). The most prevalent length-of-service requirements are 6 months or 1 year.

The survey also examines carryover and cash-in provisions for unused vacation time (tables 12-13). Many full-time workers are allowed to carry over at least some of their unused vacation days into the next year; others can cash in some or all of their vacation days at the end of the year. Workers without carryover and cash-in coverage lose unused vacation days at the end of the year. White-collar workers are more likely to have carryover provisions than blue-collar workers, who, in turn, are more likely to receive cash-in provisions.

*Paid personal leave.* Although nearly all employers provide paid vacations, few provide formal personal leave (table 14). Such leave allows employees to be absent from work with pay for a variety of reasons not covered by other specific leave plans. Most commonly, employees granted personal leave are eligible for 1 to 5 days per year. A few employees are provided as much personal leave as needed.

*Paid funeral leave, jury-duty leave, and military leave.* The majority of full-time workers are eligible for paid leave to attend funerals of family members (table 15). Eligible employees usually receive a set number of days, such as 3 days, per occurrence. However, some plans vary the number of days off by family relationship to the deceased. For example, a plan may provide 3 days off for the death of a spouse, parent, or child, but only 1 day off for the death of other relatives. For employees who do not have a formal funeral leave plan, some employers may provide an informal benefit or allow employees to use other types of paid leave, such as paid sick leave days, to attend a funeral.

Most workers are eligible for paid leave while serving as a juror (table 16). Paid time off for jury duty is usually provided “as needed”; employer payments commonly make up the difference between the employee’s regular pay and the court’s jury allowance.

Military leave, providing pay for absence from work to fulfill military training or duty commitments, is available in

many establishments (table 17). A common provision is 2 weeks off per year, but some workers were establishments allowing them to take paid leave as needed. Pay for military leave is either regular pay or the difference between regular pay and military pay.

**Family leave**

The Employee Benefits Survey measures the incidence of formal family leave benefits (table 18). Previously, the survey of medium and large private establishments estimated

parental leave, generally in the form of maternity and paternity leave. The passage of the Federal Family and Medical Leave Act of 1993 requires employers to provide employees with up to 12 weeks of unpaid leave during any 12-month period for various family matters, including the birth or adoption of a child and for family illnesses (employee, child, spouse, or parent). Generally, these provisions apply to employees with at least 1 year of service who work 1,250 hours during the year and who are employed by companies with 50 or more workers.

Paid family leave is rare.

**Table 6. Work schedule: Percent of full-time employees by hours scheduled per week and per day,<sup>1</sup> medium and large private establishments, 1995**

Work schedule	All employees	Professional, technical, and related employees	Clerical and sales employees	Blue-collar and service employees
Number (in thousands) with work schedule .....	33,374	9,366	8,105	15,903
	Percent			
Total .....	100	100	100	100
Hours per week:				
Under 35 .....	2	2	1	3
35 .....	4	5	5	3
Over 35 and under 37.5 ....	1	1	1	( <sup>2</sup> )
37.5 .....	5	6	7	3
Over 37.5 and under 40 ...	2	2	3	2
40 .....	83	81	81	85
Over 40 .....	3	3	1	3
Hours per day:				
Under 7 .....	2	2	1	2
7 .....	4	5	5	3
Over 7 and under 8 .....	7	8	11	4
8 .....	83	80	82	84
Over 8 and under 9 .....	( <sup>2</sup> )	1	( <sup>2</sup> )	( <sup>2</sup> )
9 .....	1	2	( <sup>2</sup> )	1
Over 9 and under 10 .....	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )
10 .....	1	1	( <sup>2</sup> )	1
Over 10 .....	2	1	( <sup>2</sup> )	4

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

<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. Work schedule: Percent of full-time employees by type of work schedule, medium and large private establishments, 1995**

Work schedule	All employees	Professional, technical, and related employees	Clerical and sales employees	Blue-collar and service employees
Participants (in thousands)	33,374	9,366	8,105	15,903
	Percent			
Total .....	100	100	100	100
With fixed work schedule .....	95	94	96	96
With flexible work schedule ..	1	2	2	( <sup>1</sup> )
With rotating work schedule	1	1	( <sup>1</sup> )	2
With non-fixed work schedule	1	2	2	1
Other .....	( <sup>1</sup> )	( <sup>1</sup> )	-	( <sup>1</sup> )
Data not available .....	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 8. Paid holidays and vacations: Average number of days for full-time employees, medium and large private establishments, 1995**

Item	All employees	Professional, technical, and related employees	Clerical and sales employees	Blue-collar and service employees
Paid holidays .....	9.1	9.7	8.8	9.0
Paid vacation by minimum length of service requirement: <sup>1</sup>				
At 1 year <sup>2</sup> .....	9.6	12.5	9.8	7.6
At 3 years .....	11.5	13.5	11.3	10.3
At 5 years .....	13.9	16.3	14.0	12.3
At 10 years .....	16.9	19.1	17.0	15.5
At 15 years .....	18.9	21.2	19.3	17.3
At 20 years .....	20.4	22.5	20.4	19.1
At 25 years .....	21.7	23.7	22.0	20.4
At 30 years <sup>3</sup> .....	22.0	24.0	22.3	20.7

<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> 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. Methods used to calculate the average number of paid holidays have been revised, to count partial holidays more precisely. The average holidays in this table are not comparable to those reported in the 1991 and 1993 surveys of medium and large private establishments.

**Table 9. Paid holidays: Percent of full-time employees by number of paid holidays provided each year, medium and large private establishments, 1995**

Number of days	All employees	Professional, technical, and related employees	Clerical and sales employees	Blue-collar and service employees
Number (in thousands) with paid holidays .....	29,663	8,200	7,521	13,942
	Percent			
Total with paid holidays .....	100	100	100	100
Less than 6 days .....	5	2	5	7
6 days .....	12	7	17	13
6.1-6.9 days .....	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )
7 days .....	8	5	9	9
7.1-7.9 days .....	( <sup>1</sup> )	( <sup>1</sup> )	1	( <sup>1</sup> )
8 days .....	10	12	9	9
8.1-8.9 days .....	1	1	( <sup>1</sup> )	1
9 days .....	12	13	11	11
9.1-9.9 days .....	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )
10 days .....	21	21	26	19
10.1-10.9 days .....	( <sup>1</sup> )	( <sup>1</sup> )	2	—
11 days .....	14	17	11	14
11.1-11.9 days .....	1	2	1	( <sup>1</sup> )
12 days .....	8	11	5	8
12.1-12.9 days .....	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )
13 days .....	4	4	1	5
13.1-13.9 days .....	( <sup>1</sup> )	( <sup>1</sup> )	—	( <sup>1</sup> )
14 days .....	1	( <sup>1</sup> )	( <sup>1</sup> )	1
More than 14 days .....	2	2	1	3
Number of days not available .....	( <sup>1</sup> )	1	( <sup>1</sup> )	( <sup>1</sup> )

<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 10. Paid vacations: Percent of full-time employees by number of paid vacation days provided for selected periods of service, medium and large private establishments, 1995**

Vacation policy	All employees	Professional, technical, and related employees	Clerical and sales employees	Blue-collar and service employees
Number (in thousands) with paid vacations .....	31,914	9,038	7,999	14,876
	Percent			
Total with paid vacations <sup>1</sup> .....	100	100	100	100
Vacation days by minimum length-of-service requirement <sup>2</sup>				
After 1 year of service:				
Under 5 days .....	2	1	1	3
5 days .....	32	8	23	53
Over 5 and under 10 days .....	2	1	1	4
10 days .....	43	52	59	29
Over 10 and under 15 days .....	4	7	3	2
15 days .....	4	9	3	2
Over 15 and under 20 days .....	1	2	1	( <sup>3</sup> )
20 days .....	2	7	( <sup>3</sup> )	( <sup>3</sup> )
Over 20 days .....	5	10	5	3
After 3 years of service:				
Under 5 days .....	( <sup>3</sup> )	1	( <sup>3</sup> )	( <sup>3</sup> )
5 days .....	5	1	3	9
Over 5 and under 10 days .....	3	2	1	5
10 days .....	65	52	75	68
Over 10 and under 15 days .....	7	7	5	8
15 days .....	7	15	6	3
Over 15 and under 20 days .....	1	2	1	1
20 days .....	3	8	2	1
Over 20 days .....	6	11	5	3
After 5 years of service:				
Under 5 days .....	( <sup>3</sup> )	( <sup>3</sup> )	0	( <sup>3</sup> )
5 days .....	1	( <sup>3</sup> )	1	2
Over 5 and under 10 days .....	2	1	1	3
10 days .....	39	23	36	51
Over 10 and under 15 days .....	5	6	3	6
15 days .....	34	38	45	27
Over 15 and under 20 days .....	3	5	2	1
20 days .....	5	10	4	2
Over 20 days .....	8	15	7	3
After 10 years of service:				
Under 5 days .....	( <sup>3</sup> )	( <sup>3</sup> )	0	0
5 days .....	1	( <sup>3</sup> )	1	2

See footnotes at end of table.

**Table 10. Paid vacations: Percent of full-time employees by number of paid vacation days provided for selected periods of service, medium and large private establishments, 1995 — Continued**

Vacation policy	All employees	Professional, technical, and related employees	Clerical and sales employees	Blue-collar and service employees
After 10 years of service:				
Over 5 and under 10 days .....	1	1	( <sup>3</sup> )	2
10 days .....	8	3	5	12
Over 10 and under 15 days .....	2	1	1	3
15 days .....	50	38	59	52
Over 15 and under 20 days .....	6	5	3	8
20 days .....	19	29	20	13
Over 20 and under 25 days .....	3	8	2	1
25 days .....	2	4	1	( <sup>3</sup> )
Over 25 days .....	6	10	6	3
After 15 years of service:				
5 days .....	1	( <sup>3</sup> )	1	2
Over 5 and under 10 days .....	1	( <sup>3</sup> )	( <sup>3</sup> )	1
10 days .....	7	3	4	11
Over 10 and under 15 days .....	1	1	1	2
15 days .....	22	14	20	28
Over 15 and under 20 days .....	4	4	2	5
20 days .....	47	49	59	40
Over 20 and under 25 days .....	4	8	2	2
25 days .....	3	6	3	2
Over 25 and under 30 days .....	2	3	2	1
30 days .....	2	4	1	( <sup>3</sup> )
Over 30 days .....	4	7	4	2
After 20 years of service:				
5 days .....	1	( <sup>3</sup> )	1	2
Over 5 and under 10 days .....	( <sup>3</sup> )	( <sup>3</sup> )	( <sup>3</sup> )	1
10 days .....	7	3	4	11
Over 10 and under 15 days .....	1	1	( <sup>3</sup> )	2
15 days .....	12	6	14	15
Over 15 and under 20 days .....	1	1	1	2
20 days .....	45	46	55	39
Over 20 and under 25 days .....	5	9	3	4
25 days .....	14	15	12	15
Over 25 and under 30 days .....	3	5	2	2
30 days .....	2	4	1	1
Over 30 days .....	5	8	5	3

See footnotes at end of table.

**Table 10. Paid vacations: Percent of full-time employees by number of paid vacation days provided for selected periods of service, medium and large private establishments, 1995 — Continued**

Vacation policy	All employees	Professional, technical, and related employees	Clerical and sales employees	Blue-collar and service employees
After 25 years of service:				
5 days .....	1	( <sup>3</sup> )	1	2
Over 5 and under 10 days .....	( <sup>3</sup> )	( <sup>3</sup> )	( <sup>3</sup> )	1
10 days .....	7	3	4	11
Over 10 and under 15 days .....	1	1	( <sup>3</sup> )	2
15 days .....	12	6	14	15
Over 15 and under 20 days .....	1	1	1	1
20 days .....	30	32	33	27
Over 20 and under 25 days .....	4	7	3	3
25 days .....	28	29	32	26
Over 25 and under 30 days .....	2	3	2	1
30 days .....	6	9	4	6
Over 30 days .....	5	8	5	3
After 30 years of service <sup>4</sup> :				
5 days .....	1	( <sup>3</sup> )	1	2
Over 5 and under 10 days .....	( <sup>3</sup> )	( <sup>3</sup> )	( <sup>3</sup> )	1
10 days .....	7	3	4	11
Over 10 and under 15 days .....	1	1	( <sup>3</sup> )	2
15 days .....	12	6	14	15
Over 15 and under 20 days .....	1	1	1	1
20 days .....	29	31	33	26
Over 20 and under 25 days .....	4	7	2	3
25 days .....	25	25	29	22
Over 25 and under 30 days .....	2	3	2	1
30 days .....	10	14	7	9
Over 30 days .....	6	8	7	4
Vacation policy not available ....	2	2	1	3

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

<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 11. Paid vacations: Percent of full-time employees by length of service required to take vacation, medium and large private establishments, 1995**

Length-of-service requirement	All employees	Professional, technical, and related employees	Clerical and sales employees	Blue-collar and service employees
Number (in thousands) with paid vacations .....	31,914	9,038	7,999	14,876
	Percent			
Total with paid vacations .....	100	100	100	100
With service requirement .....	88	81	91	89
1 month .....	10	18	7	6
2 months .....	1	2	1	1
3 months .....	7	7	11	5
4-5 months .....	1	2	1	( <sup>1</sup> )
6 months .....	23	27	31	17
7-11 months .....	1	( <sup>1</sup> )	( <sup>1</sup> )	1
1 year .....	45	26	39	59
Over 1 year .....	( <sup>1</sup> )	( <sup>1</sup> )	1	( <sup>1</sup> )
Without service requirement	12	18	8	10
Service requirement not determinable .....	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 12. Paid vacations: Percent of full-time employees by unused vacation policy, medium and large private establishments, 1995**

Type of plan	All employees	Professional, technical, and related employees	Clerical and sales employees	Blue-collar and service employees
Number (in thousands) with paid vacations .....	31,914	9,038	7,999	14,876
	Percent			
Total with paid vacations .....	100	100	100	100
Carryover only .....	24	39	28	13
Cash-in only .....	11	6	6	18
Carryover and cash-in .....	11	17	9	8
Unused benefit lost .....	49	35	53	56
Data not available .....	5	4	4	6

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

**Table 13. Paid vacations: Average number of days for full-time employees by carryover and cash-in provisions, medium and large private establishments, 1995**

Paid vacation by minimum length of service requirement <sup>1</sup>	All plans	Carryover, cash-in, or both	Carryover only	Cash-in only	Carryover and cash-in	No carryover or cash-in
<b>All employees</b>						
After 1 year <sup>2</sup> .....	9.6	11.2	11.4	7.2	15.0	8.2
After 3 years .....	11.5	12.8	12.6	9.9	16.3	10.4
After 5 years .....	13.9	15.5	15.4	12.4	19.1	12.5
After 10 years .....	16.9	18.6	18.5	15.7	22.1	15.4
After 15 years .....	18.9	20.8	20.7	17.9	23.9	17.3
After 20 years .....	20.4	22.1	22.0	19.6	25.3	18.9
After 25 years .....	21.7	23.3	23.3	20.6	26.1	20.4
After 30 years <sup>3</sup> .....	22.0	23.6	23.7	20.8	26.4	20.7

<sup>1</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>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: Because of rounding, sums of individual items may not equal totals. Where applicable, dash indicates no employees in this category.

**Table 14. Paid personal leave: Percent of employees by number of paid personal leave days available per year, medium and large private establishments, 1995**

Number of days	All employees	Professional, technical, and related employees	Clerical and sales employees	Blue-collar and service employees
Number (in thousands) with paid personal leave .....	7,372	2,253	2,753	2,366
	Percent			
Total with paid personal leave ..	100	100	100	100
1 day .....	16	16	12	21
2 days .....	34	22	45	33
3 days .....	17	18	15	17
4 days .....	11	13	10	9
5 days .....	10	14	6	10
More than 5 days .....	8	11	7	7
No maximum specified <sup>1</sup> .....	3	4	2	3
Number of days not available	1	1	2	1
	Average			
Average days per year .....	3.3	3.9	3.0	3.2

<sup>1</sup> Personal leave provided as needed.

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

**Table 15. Paid funeral leave: Percent of employees by number of paid funeral leave days available per occurrence, medium and large private establishments, 1995**

Number of days	All employees	Professional, technical, and related employees	Clerical and sales employees	Blue-collar and service employees
Number (in thousands) with paid funeral leave .....	26,715	7,814	6,927	11,974
	Percent			
Total with paid funeral leave	100	100	100	100
1 day .....	1	( <sup>1</sup> )	( <sup>1</sup> )	1
2 days .....	3	1	1	5
3 days .....	71	65	71	73
4 days .....	2	2	3	2
5 days .....	15	22	16	11
More than 5 days .....	( <sup>1</sup> )	( <sup>1</sup> )	1	( <sup>1</sup> )
No maximum specified <sup>2</sup> ....	5	6	6	4
Number of days not available .....	3	3	2	3
Number of days varies by relationship to deceased <sup>3</sup> .....	31	33	35	29
	Average			
Average days per occurrence ..	3.3	3.5	3.4	3.2

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

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

<sup>3</sup> The maximum number of days 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 16. Paid jury-duty leave: Percent of employees by number of paid jury-duty leave days available per occurrence, medium and large private establishments, 1995**

Number of days	All employees	Professional, technical, and related employees	Clerical and sales employees	Blue-collar and service employees
Number (in thousands) with paid jury-duty leave .....	28,354	8,566	7,250	12,537
	Percent			
Total .....	100	100	100	100
Under 10 days .....	2	2	1	3
10 days .....	8	6	8	9
11 - 19 days .....	2	3	1	1
20 days .....	1	1	1	1
21 days .....	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	-
22 - 30 days .....	4	3	3	5
More than 30 days .....	1	1	( <sup>1</sup> )	2
No maximum specified <sup>2</sup> .....	81	82	85	79
Number of days not available	( <sup>1</sup> )	1	( <sup>1</sup> )	( <sup>1</sup> )

<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 17. Paid military leave: Percent of employees by number of paid military leave days available per year, medium and large private establishments, 1995**

Number of days	All employees	Professional, technical, and related employees	Clerical and sales employees	Blue-collar and service employees
Number (in thousands) with paid military leave .....	14,807	5,543	3,674	5,590
	Percent			
Total .....	100	100	100	100
Under 10 days .....	2	2	2	1
10 days .....	51	50	52	51
11-14 days .....	5	6	5	3
15 days .....	9	6	6	14
16 - 19 days .....	2	2	5	1
20 days .....	2	2	2	3
21 - 29 days .....	2	3	1	2
30 days .....	2	3	2	2
More than 30 days .....	3	6	2	1
No maximum specified <sup>1</sup> .....	21	20	23	21
Number of days not available	1	1	( <sup>2</sup> )	1
	Average			
Average days per year .....	14.7	17.3	14.1	12.6

<sup>1</sup> Military leave is provided as needed.

<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 family leave<sup>1</sup>: Percent of employees by duration of benefits, medium and large private establishments, 1995**

Duration	All employees	Professional, technical, and related employees	Clerical and sales employees	Blue-collar and service employees
Number (in thousands) with unpaid family leave .....	28,033	8,315	6,955	12,763
	Percent			
Total with unpaid family leave .....	100	100	100	100
Under 12 weeks ....	1	1	1	1
12 weeks .....	86	82	82	91
Over 12 weeks .....	13	17	17	8
	Average			
Average weeks .....	13.9	14.5	14.5	13.2

<sup>1</sup> The maximum number of weeks available was included in the distribution of unpaid family leave weeks.

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

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This chapter discusses three types of disability benefits: Sick leave, short-term disability coverage, and long-term disability insurance. Paid sick leave and short-term disability plans protect workers against loss of income during temporary absences from work due to illness or accident. Through long-term disability insurance plans, workers may continue to receive their income during longer periods of disability. (See tables at end of this chapter.) Among the disability benefit provisions for which the EBS produces data are:

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

There are two types of protection against loss of income during short-term illness or injury. Sick leave usually provides 100 percent of the worker's earnings, whereas short-term disability plans (previously, sickness and accident insurance) usually replace 50 to 67 percent of pay. (Some sick leave plans may provide days off at partial pay in addition to those at full pay. All sick leave tables shown at the end of this chapter exclude days paid at partial pay.)

Sick leave and short-term disability coverage are provided to most full-time employees. Some workers have both sick leave and short-term disability coverage, with the two benefits coordinated. Coordination can take two forms: starting short-term disability 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 short-term disability benefits, usually in the form of sickness and accident insurance, so that the total benefit does not exceed full salary.

Long-term disability insurance (LTD), which typically pays 60 percent of earnings, is also available to many full-time employees in medium and large establishments. LTD insurance payments usually begin after 3 or 6 months of disability and continue until retirement age or for a specified number of months, depending on the worker's age at the time of disability.

Paid sick leave and LTD insurance are more prevalent among white-collar workers, and short-term disability benefits are more common among blue-collar workers.

### Paid sick leave

Most employees are covered by paid sick leave plans for a fixed number of days, such as 13 days, per year. Other

participants receive sick leave benefits on an "as needed" basis, not specifying the maximum number of days.

Annual sick leave plans may provide either uniform benefits for all employees or benefits that increase with seniority, such as 12 days after 1 year of service, 18 days after 5 years, and 21 days after 10 years. Nearly all workers covered by annual plans receive full pay while they are sick and their benefits are not subject to a waiting period before benefits begin.

Annual sick leave plans also allow many employees to carry over and accumulate unused sick leave from year to year (cumulative plans). Most cumulative plans have limits on the amount of sick leave, often 30 days, that can be carried over to the next year. Other cumulative plans allow workers to accrue an unlimited amount of sick leave. Noncumulative plans usually provide a greater number of days per year than cumulative plans (table 23).

Employees are often not eligible for sick leave benefits when they first begin to work. Many workers have to meet length of service requirements, frequently 1 to 6 months, before qualifying for sick leave benefits.

Although sick leave, often 30 days, is commonly thought of as replacing lost income while an employee is ill or injured, a majority of workers can use their benefits for other reasons. For example, using sick leave for a doctor's appointment or to take care of a sick child were the most frequently observed provisions.

### Short-term disability coverage

Short-term disability plans cover many employees in medium and large private establishments. The majority of participants have their benefits paid by their employer through funded plans, usually self-insured or insured by a commercial carrier (tables 26-35). Unfunded plans include per disability plans previously reported as sick leave.

The two most common ways to provide benefit payments under funded short-term disability plans are either a percent of employee earnings or a flat dollar amount. White-collar participants are more likely to be covered by plans with earnings-based formulas than are blue-collar participants.

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

Blue-collar workers frequently receive scheduled dollar benefits, which provide either a fixed weekly amount, for example, \$150 or \$200, or varying weekly benefits (usually based on earnings).

Funded plans that place a fixed maximum on the number of weeks of coverage, normally 26 weeks, cover most participants.

Some of the employees with funded short-term disability plans have to be on the job for a specified time before the plan will cover them. This service requirement is typically 3 months or less.

Short-term disability benefits, unlike sick leave, usually require a waiting period before benefits begin, often 7 days. Waiting periods may be shortened or eliminated entirely if an employee is involved in an accident or hospitalized. The waiting period is effectively dropped when short-term disability benefits are coordinated with sick leave, because short-term disability payments typically start immediately after sick leave pay has ended. Workers in 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.<sup>4</sup> Hawaii requires that employers provide a minimum level of temporary disability income protection for up to 26 weeks.

### Long-term disability insurance

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

most instances, the LTD payments equal a fixed percent of predisability earnings.

A large number of full-time employees have LTD coverage provided through their employers. The degree of participation varies widely among employee groups; white-collar workers are more likely to have LTD insurance than blue-collar workers. However, some employees not covered under LTD insurance are eligible for an immediate disability pension through their retirement plan (see chapter 6).

Participants often have to wait 6 months after the onset of disability before beginning to receive LTD payments. For some participants, LTD benefits begin after the expiration of sick leave and short-term disability benefits (table 36).

The majority of LTD plan participants receive their LTD benefit as a fixed percent of predisability earnings. The benefit commonly yields 60 percent of monthly pay. Most of these plans set a limit on monthly payments, for example, between \$4,000 and \$10,000 (tables 37-38).

Participants in long-term disability plans usually receive their benefits until retirement or for a specified number of months, depending on the employee's age at the time of disability (table 39).

LTD plans usually have more restrictive service requirements than other insurance benefits studied (table 40). Because of the long-term nature of the LTD benefits, employers often restrict eligibility to employees who demonstrate some attachment to the establishment. Most plans impose service requirements before LTD coverage begins, often 3 to 12 months.

## —ENDNOTES—

<sup>4</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.

**Table 19. Paid sick leave: Percent of full-time employees by type of provision,<sup>1</sup> medium and large private establishments, 1995**

Provision	All employees	Professional, technical, and related employees	Clerical and sales employees	Blue-collar and service employees
Number (in thousands) with paid sick leave .....	19,467	6,906	6,312	6,248
	Percent			
Total with paid sick leave ..	100	100	100	100
Sick leave provision:				
Annual number of days <sup>2</sup> .....	92	90	95	93
As needed <sup>3</sup> .....	5	7	3	3
Other basis <sup>4</sup> .....	2	2	1	2
Policy not available .....	1	1	( <sup>5</sup> )	2

<sup>1</sup> Per disability sick leave plans, previously reported under paid sick leave, are now included under short-term disability coverage.

<sup>2</sup> Employees earn or accrue a specified number of sick leave days per year. 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 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 20. Paid annual sick leave: Percent of full-time employees by number of days,<sup>1</sup> medium and large private establishments, 1995**

Sick leave policy <sup>2</sup>	All employees	Professional, technical, and related employees	Clerical and sales employees	Blue-collar and service employees
Number (in thousands) with paid annual sick leave .....	17,962	6,196	5,975	5,791
	Percent			
Total with paid annual sick leave <sup>3</sup> .....	100	100	100	100
After 1 year of service:				
Total .....	95	97	96	93
Under 5 days .....	6	2	4	12
5 and under 10 days .....	41	29	49	45
10 and under 15 days .....	34	44	29	27
15 and under 30 days .....	11	15	12	7
30 and under 60 days .....	2	3	1	1
60 and under 120 days .....	1	1	1	1
120 and under 180 days ...	1	1	( <sup>4</sup> )	1
180 days or more .....	( <sup>4</sup> )	( <sup>4</sup> )	( <sup>4</sup> )	( <sup>4</sup> )
After 3 years of service:				
Total .....	98	99	98	97
Under 5 days .....	6	2	4	13
5 and under 10 days .....	40	27	48	45
10 and under 15 days .....	32	42	27	25
15 and under 30 days .....	10	13	8	8
30 and under 60 days .....	7	9	10	3
60 and under 120 days .....	2	3	1	1
120 and under 180 days ...	1	3	( <sup>4</sup> )	1
180 days or more .....	( <sup>4</sup> )	( <sup>4</sup> )	( <sup>4</sup> )	( <sup>4</sup> )
After 5 years of service:				
Total .....	98	99	98	98
Under 5 days .....	6	2	4	13
5 and under 10 days .....	40	27	47	46
10 and under 15 days .....	31	41	27	25
15 and under 30 days .....	6	7	5	5
30 and under 60 days .....	6	9	4	4
60 and under 120 days .....	9	10	11	5
120 and under 180 days ...	1	3	( <sup>4</sup> )	1
180 days or more .....	( <sup>4</sup> )	( <sup>4</sup> )	( <sup>4</sup> )	( <sup>4</sup> )
After 10 years of service:				
Total .....	98	99	98	98
Under 5 days .....	5	2	3	10
5 and under 10 days .....	40	27	47	48
10 and under 15 days .....	31	41	26	25
15 and under 30 days .....	5	7	4	5
30 and under 60 days .....	3	5	2	3
60 and under 120 days .....	9	13	8	6
120 and under 180 days ...	4	5	6	1
180 days or more .....	( <sup>4</sup> )	( <sup>4</sup> )	( <sup>4</sup> )	( <sup>4</sup> )
After 15 years of service:				
Total .....	99	100	98	98
Under 5 days .....	5	2	3	10
5 and under 10 days .....	40	27	47	48
10 and under 15 days .....	31	41	26	25
15 and under 30 days .....	5	7	4	5
30 and under 60 days .....	3	4	2	2

See footnotes at end of table.

**Table 20. Paid annual sick leave: Percent of full-time employees by number of days,<sup>1</sup> medium and large private establishments, 1995 — Continued**

Sick leave policy <sup>2</sup>	All employees	Professional, technical, and related employees	Clerical and sales employees	Blue-collar and service employees
After 15 years of service:				
60 and under 120 days .....	7	11	6	5
120 and under 180 days ...	7	8	9	3
180 days or more .....	( <sup>4</sup> )	( <sup>4</sup> )	( <sup>4</sup> )	( <sup>4</sup> )
After 20 years of service:				
Total .....	99	100	98	98
Under 5 days .....	5	2	3	10
5 and under 10 days .....	40	27	47	48
10 and under 15 days .....	31	41	26	25
15 and under 30 days .....	5	7	4	5
30 and under 60 days .....	3	4	2	2
60 and under 120 days .....	6	8	5	4
120 and under 180 days ...	6	9	7	3
180 days or more .....	2	2	3	2
After 25 years of service <sup>5</sup>				
Total .....	99	100	98	98
Under 5 days .....	5	2	3	9
5 and under 10 days .....	41	27	47	49
10 and under 15 days .....	31	41	26	25
15 and under 30 days .....	5	7	4	5
30 and under 60 days .....	3	4	2	2
60 and under 120 days .....	4	6	4	3
120 and under 180 days ...	8	12	8	3
180 days or more .....	2	3	3	2

<sup>1</sup> Although some plans also provided sick leave at partial pay, this table presents data only for days at full pay.

<sup>2</sup> 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>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 periods of service.

NOTE: Because of rounding, sums of individual items may not equal totals. Where applicable, dash indicates that no data were reported.

**Table 21: Paid annual sick leave: Average number of days at full pay for full-time employees, medium and large private establishments, 1995**

Sick leave policy	All employees	Professional, technical, and related employees	Clerical and sales employees	Blue-collar and service employees
Paid annual sick leave days <sup>1</sup> by minimum length-of-service:				
After 1 year .....	11.5	14.7	9.9	9.6
After 3 years .....	14.3	18.6	13.1	10.8
After 5 years .....	17.6	22.3	17.3	12.8
After 10 years .....	21.2	26.6	22.3	14.3
After 15 years .....	23.6	29.9	24.3	16.2
After 20 years .....	26.3	33.1	27.2	17.8
After 25 years <sup>2</sup> .....	27.7	34.9	28.6	19.0

<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 at partial pay and workers with only partial pay days or zero days of sick leave.

**Table 22: Paid annual sick leave:<sup>1</sup> Percent of full-time employees by unused sick leave policy and carryover provisions, medium and large private establishments, 1995**

Unused sick leave and carryover provisions	All employees	Professional, technical, and related employees	Clerical and sales employees	Blue-collar and service employees
Number (in thousands) with paid annual sick leave .....	17,962	6,196	5,975	5,791
	Percent			
Total with paid annual sick leave .....	100	100	100	100
Carryover only .....	42	47	41	37
Cash-in only .....	7	2	6	13
Carryover and cash-in .....	9	10	7	11
Unused benefit lost .....	39	37	44	37
Data not available .....	3	3	1	3
Total with carryover provisions .....	100	100	100	100
Unlimited accumulation .....	19	27	16	14
Limit on total number of days accumulated				
Total .....	80	73	83	85
Under 10 days .....	3	1	4	3
10 days .....	4	2	4	7
11-19 days .....	5	3	5	8
20 days .....	2	1	1	5
21-24 days .....	8	7	13	4
25 days .....	2	1	4	2
26-29 days .....	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	1
30-39 days .....	14	11	14	17
40-49 days .....	4	4	3	4
50 days .....	( <sup>2</sup> )	1	( <sup>2</sup> )	( <sup>2</sup> )
51-64 days .....	7	7	6	8
65 days .....	2	3	2	3
66-79 days .....	5	4	6	4
80-89 days .....	1	1	1	1
90-99 days .....	6	6	5	6
100-109 days .....	1	( <sup>2</sup> )	1	2
110-119 days .....	1	1	1	1
120-129 days .....	4	5	4	2
130 days .....	6	7	6	3
Over 130 days .....	5	7	4	4
Other <sup>3</sup> .....	1	1	1	1

<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> Carryover provisions vary by length of service.

NOTE: Because of rounding, sums of individual items may not equal totals. Where applicable, dash indicates that no data were reported.

**Table 23: Paid annual sick leave<sup>1</sup>: Average number of days at full pay for full-time employees by accumulation policy, medium and large private establishments, 1995**

Sick leave policy	All employees	Professional, technical, and related employees	Clerical and sales employees	Blue-collar and service employees
Sick leave days by minimum length-of-service requirement: <sup>2</sup>				
After 1 year of service:				
Cumulative plan .....	9.1	10.4	8.4	8.2
Noncumulative plan .....	14.2	21.3	11.4	10.9
After 3 years of service:				
Cumulative plan .....	9.6	11.1	8.8	8.3
Noncumulative plan .....	19.6	29.8	17.4	13.0
After 5 years of service:				
Cumulative plan .....	10.0	11.8	9.1	8.5
Noncumulative plan .....	26.3	38.4	25.4	16.9
After 10 years of service:				
Cumulative plan .....	10.7	12.9	9.8	8.8
Noncumulative plan .....	33.5	47.7	35.0	19.6
After 15 years of service:				
Cumulative plan .....	10.9	13.1	9.9	8.9
Noncumulative plan .....	38.4	55.4	38.8	23.3
After 20 years of service:				
Cumulative plan .....	11.7	14.3	10.8	9.2
Noncumulative plan .....	43.2	62.0	43.7	26.4
After 25 years of service: <sup>3</sup>				
Cumulative plan .....	11.7	14.3	10.8	9.2
Noncumulative plan .....	46.3	66.3	46.5	28.8
Data not available .....	( <sup>4</sup> )	( <sup>4</sup> )	( <sup>4</sup> )	( <sup>4</sup> )

<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.

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

NOTE: Because of rounding, sums of individual items may not equal totals. Where applicable, dash indicates that no data were reported.

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: Percent of full-time employees by length of service requirement for participation, medium and large private establishments, 1995**

Length of service requirement	All employees	Professional, technical, and related employees	Clerical and sales employees	Blue-collar and service employees
Number (in thousands) with paid annual sick leave .....	17,962	6,196	5,975	5,791
	Percent			
Total with paid annual sick leave .....	100	100	100	100
With service requirement .....	65	53	73	70
1 month .....	16	20	15	11
2 months .....	3	2	2	3
3 months .....	20	14	28	18
4-5 months .....	1	( <sup>1</sup> )	1	1
6 months .....	15	13	18	13
7-11 months .....	2	-	( <sup>1</sup> )	6
1 year .....	9	3	8	16
Over 1 year .....	1	( <sup>1</sup> )	( <sup>1</sup> )	2
Without service requirement .....	35	47	27	30
Data not available .....	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )

<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 25: Paid annual sick leave: Percent of full-time employees in plans allowing use of sick leave for other purposes, medium and large private establishments, 1995**

Other purposes	All employees	Professional, technical, and related employees	Clerical and sales employees	Blue-collar and service employees
Number (in thousands) with paid annual sick leave .....	17,962	6,196	5,975	5,791
	Percent			
Total with paid annual sick leave .....	100	100	100	100
Other purposes allowed <sup>1</sup> .....	68	74	73	57
Funeral .....	9	11	6	9
Doctors' appointments .....	57	61	62	48
Personal business .....	13	12	12	14
Care of sick child .....	45	46	53	36
Other .....	12	14	11	11
Other purposes not allowed .....	26	21	20	36
Data not available .....	6	5	6	8

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

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

**Table 26. Short-term disability coverage: Method of funding, full-time employees, medium and large private establishments, 1995**

Type of funding	All employees	Professional, technical, and related employees	Clerical and sales employees	Blue-collar and service employees
Number (in thousands) with short-term disability coverage .....	17,809	4,499	4,205	9,105
	Percent			
Total with short-term disability coverage .....	100	100	100	100
Unfunded <sup>1</sup> .....	14	23	21	7
Insured .....	20	15	16	25
Self-insured .....	44	44	40	45
Legally required .....	13	14	15	11
Unknown .....	7	3	5	10
Other .....	2	1	3	2

<sup>1</sup> Includes per disability sick leave plans, formerly reported under sick leave.

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

**Table 27. Short-term disability coverage: Method of payment, full-time employees, medium and large private establishments, 1995**

Method of payment	All employees	Professional, technical, and related employees	Clerical and sales employees	Blue-collar and service employees
Number (in thousands) with funded short-term disability coverage .....	15,308	3,483	3,312	8,512
	Percent			
Total with funded short-term disability coverage .....	100	100	100	100
Flat dollar amount .....	27	10	12	41
Flat percent of earnings .....	54	73	66	41
Percent varies <sup>1</sup> .....	13	14	18	10
Dollar amount varies <sup>1</sup> .....	5	1	2	7
Other .....	1	1	1	1
Not determinable .....	( <sup>2</sup> )	( <sup>2</sup> )	1	( <sup>2</sup> )

<sup>1</sup> Benefits may vary by earnings, length of service, or length of disability.

<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 28. Short-term disability coverage: Flat dollar amounts, full-time employees, medium and large private establishments, 1995**

Flat dollar amount per week	All employees	Professional, technical, and related employees	Clerical and sales employees	Blue-collar and service employees
Number (in thousands) with flat dollar amount .....	4,195	354	383	3,458
	Percent			
Total with flat dollar amount benefit .....	100	100	100	100
Less than \$100 .....	12	5	17	13
\$100 - \$149 .....	23	17	34	22
\$150 - \$199 .....	31	52	27	29
\$200 - \$249 .....	21	11	6	23
\$250 - \$299 .....	10	11	10	9
\$300 or more .....	4	3	7	3
	Average <sup>1</sup>			
Average flat dollar amount per week .....	\$170	\$171	\$153	\$171

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

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

**Table 29. Short-term disability coverage: Fixed percent of earnings amounts, full-time employees, medium and large private establishments, 1995**

Fixed percent of earnings	All employees	Professional, technical, and related employees	Clerical and sales employees	Blue-collar and service employees
Number (in thousands) with fixed percent of earnings benefit .....	8,247	2,552	2,200	3,495
	Percent			
Total with flat percent of earnings benefit .....	100	100	100	100
Less than 50 percent .....	1	1	1	2
50 percent .....	27	19	28	31
51 - 59 percent .....	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	1
60 percent .....	22	15	20	27
61 - 69 percent .....	34	39	35	29
70 percent .....	7	12	7	4
71 - 79 percent .....	3	( <sup>1</sup> )	5	3
80 percent or more .....	6	12	5	4
	Average <sup>2</sup>			
Average fixed percent of earnings benefit .....	63	66	62	61

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

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

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

**Table 30. Short-term disability coverage: Maximum benefits placed on percent of earnings formulas, full-time employees, medium and large private establishments, 1995**

Maximum benefit per week	All employees	Professional, technical, and related employees	Clerical and sales employees	Blue-collar and service employees
Number (in thousands) with percent of earnings benefit	10,244	3,049	2,809	4,386
	Percent			
Number with percent of earnings benefit .....	100	100	100	100
With maximum .....	55	53	53	57
Less than \$200 .....	16	13	17	17
\$200 - \$299 .....	8	4	5	14
\$300 - \$399 .....	15	12	17	15
\$400 - \$499 .....	3	7	( <sup>1</sup> )	1
\$500 - \$599 .....	4	4	2	4
\$600 or more .....	9	13	12	6
No maximum .....	38	41	37	36
Not determinable .....	7	6	9	7
	Average <sup>2</sup>			
Average maximum benefit per week .....	\$470	\$594	\$531	\$354

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

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

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

**Table 31. Short-term disability coverage: Minimum benefits placed on percent of earnings formulas, full-time employees, medium and large private establishments, 1995**

Minimum benefit per week	All employees	Professional, technical, and related employees	Clerical and sales employees	Blue-collar and service employees
Number (in thousands) with percent of earnings benefit	10,244	3,049	2,809	4,386
	Percent			
Total with percent of earnings benefit .....	100	100	100	100
With minimum .....	7	7	5	8
Less than \$50 .....	3	2	3	3
\$50 - \$99 .....	1	( <sup>1</sup> )	( <sup>1</sup> )	2
\$100 - \$149 .....	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )
\$150 or more .....	3	5	1	2
No minimum .....	84	87	82	84
Not determinable .....	9	6	14	8
	Average <sup>2</sup>			
Average minimum benefit per week .....	\$89	\$109	\$52	\$91

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

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

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

**Table 32. Short-term disability coverage: Type of waiting period, full-time employees, medium and large private establishments, 1995**

Waiting period provision	All employees	Professional, technical, and related employees	Clerical and sales employees	Blue-collar and service employees
Number (in thousands) with funded short-term disability coverage .....	15,308	3,483	3,312	8,512
	Percent			
Total with funded short-term disability coverage .....	100	100	100	100
Waiting period not dependent on sick leave .....	83	78	80	86
Waiting period begins after sick leave .....	7	11	10	5
Later of waiting period or sick leave <sup>1</sup> .....	3	3	5	2
Earlier of waiting period or sick leave <sup>2</sup> .....	2	5	1	( <sup>3</sup> )
Not determinable .....	5	3	4	7

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

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

<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 33. Short-term disability coverage: Length of waiting period, full-time employees, medium and large private establishments, 1995**

Length of waiting period	All employees	Professional, technical, and related employees	Clerical and sales employees	Blue-collar and service employees
Number (in thousands) with funded short-term disability coverage .....	15,308	3,483	3,312	8,512
	Percent			
Total with funded short-term disability coverage .....	100	100	100	100
Immediate .....	4	7	5	3
1 day .....	6	6	4	7
2 days .....	1	1	1	1
3 days .....	4	2	3	5
4 days .....	1	1	1	2
5 days .....	4	5	7	3
6 days .....	2	3	3	2
7 days .....	51	49	47	54
Greater than 7 days .....	20	24	26	17
Not determinable .....	5	3	4	7
	Average <sup>1</sup>			
Average waiting period (in days) .....	8.3	9.8	9.5	7.3

<sup>1</sup> The average is presented for all covered workers; averages exclude workers without plan provisions.

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

**Table 34. Short-term disability coverage: Duration of benefits, full-time employees, medium and large private establishments, 1995**

Duration of benefits	All employees	Professional, technical, and related employees	Clerical and sales employees	Blue-collar and service employees
Number (in thousands) with funded short-term disability coverage .....	15,308	3,483	3,312	8,512
	Percent			
Total with funded short-term disability coverage .....	100	100	100	100
Fixed duration .....	92	95	89	92
Less than 13 weeks .....	3	4	5	1
13 weeks .....	12	9	9	14
14 - 25 weeks .....	6	6	7	6
26 weeks .....	62	66	61	61
27 - 51 weeks .....	3	3	4	3
52 weeks .....	5	4	2	6
Greater than 52 weeks .....	2	3	1	1
Duration varies .....	7	5	10	8
Not determinable .....	( <sup>1</sup> )	( <sup>1</sup> )	1	( <sup>1</sup> )
	Average <sup>2</sup>			
Average benefit duration (in weeks) .....	26	27	25	26

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

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

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

**Table 35. Short-term disability coverage: Eligibility requirements, full-time employees, medium and large private establishments, 1995**

Eligibility requirement	All employees	Professional, technical, and related employees	Clerical and sales employees	Blue-collar and service employees
Number (in thousands) with funded short-term disability coverage .....	15,308	3,483	3,312	8,512
	Percent			
Total with funded short-term disability coverage .....	100	100	100	100
With a service requirement ...	57	45	58	61
1 month .....	14	14	14	14
2 months .....	5	2	3	8
3 months .....	21	13	22	23
4 -5 months .....	2	1	2	2
6 months .....	7	6	7	8
7 - 11 months .....	1	2	-	1
12 months .....	6	6	10	4
Greater than 12 months ...	2	1	1	2
Without a service requirement .....	36	51	34	30
Not determinable .....	7	4	8	9
	Average <sup>1</sup>			
Average service requirement (in months) .....	4.6	5.1	5.1	4.2

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

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

**Table 36. Long-term disability insurance: Benefit waiting period,<sup>1</sup> full-time employees, medium and large private establishments, 1995**

Length of waiting period	All employees	Professional, technical, and related employees	Clerical and sales employees	Blue-collar and service employees
Number (in thousands) with long-term disability insurance .....	14,144	5,664	4,307	4,173
	Percent			
Total with long-term disability insurance .....	100	100	100	100
Fixed duration .....	75	78	79	68
Less than 3 months .....	1	1	2	1
3 months .....	24	25	22	25
4 - 5 months .....	2	2	2	3
6 months .....	42	43	49	33
Greater than 6 months .....	6	8	3	7
Expiration of short-term disability benefits .....	20	17	18	24
Other .....	2	2	1	4
Not determinable .....	2	3	2	3
	Average <sup>2</sup>			
Average fixed duration (in months) .....	5.4	5.5	5.3	5.4

<sup>1</sup> Length of time between onset of disability and beginning of long-term disability insurance payments.

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

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

**Table 37. Long-term disability insurance: Method of payment, full-time employees, medium and large private establishments, 1995**

Method of payment	All employees	Professional, technical, and related employees	Clerical and sales employees	Blue-collar and service employees
Number (in thousands) with long-term disability insurance .....	14,144	5,664	4,307	4,173
	Percent			
Total with long-term disability insurance .....	100	100	100	100
Fixed percent of earnings .....	91	93	94	84
Less than 50 percent .....	3	4	1	3
50 percent .....	18	14	22	20
51 - 59 percent .....	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	1
60 percent .....	50	52	51	45
61 - 66 percent .....	2	2	3	2
67 percent .....	11	13	13	8
70 percent .....	4	6	2	2
Greater than 70 percent ...	2	3	1	3
Percent varies by earnings ...	4	4	3	5
Percent varies by service .....	1	1	2	1
Flat dollar amount .....	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )
Dollar amount varies .....	( <sup>1</sup> )	-	-	( <sup>1</sup> )
Other .....	3	1	( <sup>1</sup> )	8
Not determinable .....	( <sup>1</sup> )	( <sup>1</sup> )	1	( <sup>1</sup> )
	Average <sup>2</sup>			
Average fixed percent of earnings .....	59.1	59.7	58.8	58.4

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

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

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

**Table 38. Long-term disability insurance: Maximum benefits<sup>1</sup> based on percent of earnings formulas, full-time employees, medium and large private establishments, 1995**

Maximum benefit	All employees	Professional, technical, and related employees	Clerical and sales employees	Blue-collar and service employees
Number (in thousands) with percent of earnings benefit	13,635	5,582	4,257	3,795
	Percent			
Total with percent of earnings benefit .....	100	100	100	100
With maximum .....	69	72	70	64
Flat maximum per month ..	69	72	68	64
\$2,000 or less .....	6	5	6	9
\$2,001 - \$3,000 .....	7	5	8	10
\$3,001 - \$4,000 .....	3	3	4	3
\$4,001 - \$5,000 .....	14	13	12	18
\$5,001 - \$7,500 .....	11	14	9	9
\$7,501 - \$10,000 .....	16	18	19	9
\$10,001 or more .....	11	14	10	7
Other maximum <sup>2</sup> .....	1	( <sup>3</sup> )	1	( <sup>3</sup> )
No maximum .....	31	28	30	36
	Average <sup>4</sup>			
Average flat maximum benefit (per month) .....	\$7,277	\$7,823	\$7,724	\$5,841

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

<sup>2</sup> Includes maximums that vary by length of service.

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

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

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

**Table 39. Long-term disability insurance: Duration of payments, full-time employees, medium and large private establishments, 1995**

Duration	All employees	Professional, technical, and related employees	Clerical and sales employees	Blue-collar and service employees
Number (in thousands) with long-term disability insurance .....	14,144	5,664	4,307	4,173
	Percent			
Total with long-term disability insurance .....	100	100	100	100
For life .....	3	3	3	3
Until a specified age .....	21	17	17	30
Until retirement .....	18	15	20	20
Varies by age, <sup>1</sup> one change	6	5	8	4
Varies by age, <sup>1</sup> gradual change .....	36	44	37	25
Varies by other than age .....	2	1	1	6
Other .....	2	2	2	1
Not determinable .....	12	14	12	10

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

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

**Table 40. Long-term disability insurance: Eligibility requirements, full-time employees, medium and large private establishments, 1995**

Length of service requirement	All employees	Professional, technical, and related employees	Clerical and sales employees	Blue-collar and service employees
Number (in thousands) with long-term disability insurance .....	14,144	5,664	4,307	4,173
	Percent			
Total with long-term disability insurance .....	100	100	100	100
With a service requirement ...	66	59	71	71
1 month .....	17	18	21	11
2 months .....	3	2	3	4
3 months .....	16	12	21	15
4 -5 months .....	1	( <sup>1</sup> )	1	1
6 months .....	14	12	11	20
7 - 11 months .....	3	( <sup>1</sup> )	( <sup>1</sup> )	9
12 months .....	10	12	9	9
Greater than 12 months ...	3	2	5	3
Without a service requirement .....	28	36	22	22
	Average <sup>2</sup>			
Average service requirement (in months) .....	6.1	5.7	6.1	6.6

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

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

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

# Chapter 4.

## Medical, Dental, and Vision Care

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### Medical Care

**M**edical care benefits are provided to a majority of full-time employees in medium and large private establishments. EBS covers a number of medical care benefit provisions, including:

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

These topics are discussed throughout this chapter.

#### Types of medical care plans

Full-time workers with medical benefits are covered by one of three types of plans—a traditional fee-for-service plan, a Preferred Provider Organization (PPO), or a Health Maintenance Organization (HMO) (tables 41-49). These plans represent differences in fee arrangements, or in other words, the method of selecting medical service providers and paying for care.

Fee-for-service plans allow patients to choose any provider and pay for specific medical procedures as expenses are incurred. There are generally three ways of financing plan benefits: Through self-insured plans, commercially insured plans, and Blue Cross/Blue Shield plans. Self-insured plans (in which the plan sponsor—typically the employer—bears the financial risk of paying for covered medical services) cover the largest number of participants in fee-for-service plans. Commercially insured plans and Blue Cross/Blue Shield plans cover most of the other fee-for-service participants.

Establishments that self-insure their medical care benefits may enter into an “administrative services only” (ASO) contract with a third party to pay claims and handle other administrative details (table 49). Under this contract, the employer is responsible for financing all medical care claims. Another arrangement available to self-insured plans is a minimum premium plan (MPP), which is insurance coverage to pay claims above a specified amount. Such arrangements limit the employer’s liability in the case of catastrophic expenses.

PPO’s, which have become widespread since first studied in the EBS of medium and large private establishments in 1986, offer a higher level of reimbursement for services

performed by designated health care providers (such as hospitals and physicians), although participants are free to choose any provider. Designated providers agree in advance to a given fee schedule.

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

PPO’s are a type of fee-for-service plan because care providers are not reimbursed until services are performed. In this way, fee-for-service plans and PPO’s differ from HMO’s, which pay providers a fixed amount for services before they are performed over a given time period. Throughout this chapter, HMO features are contrasted with features found in non-HMO’s (both fee-for-service plans and PPO’s).

HMO’s, another arrangement that increased enrollment during the 1980’s, provide a prescribed set of benefits to enrollees for a fixed payment. The HMO thus bears the risk associated with delivering care.<sup>5</sup> In this survey, HMO’s are classified as either group/staff, with services provided by central facilities, or individual practice associations (IPA’s), with providers working from their own offices (table 50). HMO’s may be financed through independent organizations, commercial insurers, or Blue Cross/Blue Shield organizations. Independent organizations, such as Kaiser Permanente, are most common.

“Point-of-service” plans are HMO’s in which participants can use care providers within or outside a given network, although reimbursement of expenses is less if participants do not use network providers. “Point-of-service” plans include those workers in HMO’s that have an open enrollment option. Such an option allows patients to receive services from a non-HMO provider at a lower reimbursement than if care is received from the designated HMO provider.

#### Fee-for-service plans

Fee-for-service plans allow patients to choose their own providers and reimburse themselves or the provider they have chosen after services are received. Benefits are typically subject to major medical limitations including deductibles, coinsurances, out-of-pocket expense limits, and plan maximums (tables 51-56).

A majority of fee-for-service plans nearly always require a participant to meet a specified deductible before he or she is eligible for benefit payments. This discourages unnecessary use of medical services. Deductibles are typically specified

as an annual flat-dollar amount, such as \$100 or \$200 per individual. In some plans, however, the deductible may not apply to hospital room and board expenses. In other plans, the deductible may be waived for certain benefits viewed to be cost-effective, for example, alternatives to hospitalization or outpatient surgery, to encourage their use in place of the more costly benefits.

When medical care plans cover an employee and family, a family deductible is often specified in addition to individual deductibles. There are two types of family deductibles. In the first type, the deductible is an annual flat-dollar amount. To satisfy this deductible, one family member must meet an individual deductible, then another family member or a combination of family members must meet the remaining amount of the family deductible. In the second type, the plan specifies the number of family members required to meet individual deductibles. After the required number of family members meet individual deductibles, no additional individual deductibles are required during that year. Typically, family deductibles are equal to two or three times the individual deductible.

Once the deductible has been met, the plan usually pays a specified percentage of covered medical expenses, with the employee paying the remainder (coinsurance). Most plans pay 80 percent of expenses; some plans may pay 90 percent. Alternatively, plans may have a different coinsurance rate for certain services, such as hospital room and board and outpatient surgery. In those cases where coinsurance is different, the plan usually pays a higher percent of expenses, often 100 percent.

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

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

Plans that require both an annual deductible and place a limit on out-of-pocket expenses cover most participants. The sum of these two items equals the total that the individual

must pay for covered medical expenses in a calendar year.

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

### **Preferred provider organizations (PPO’S)**

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

In PPO’s, like fee-for-service plans, benefits are typically subject to limitations including deductibles, coinsurances, out-of-pocket expense limits, and plan maximums that apply to many or all services (tables 57-58). These limitations can differ depending upon whether the care is received from a designated provider. For example, if an individual’s total covered medical expenses are \$3,600 in one year, and a PPO within the network provides the care, the plan pays 90 percent of expenses, or \$3,240, and does not require a deductible. When care is provided outside the PPO network, the plan imposes a \$100 a year deductible and reimburses 80 percent of the remaining expenses. Thus, outside the PPO network the plan pays only \$2,800 of the expenses.

PPO’s may also vary the way payments are made for outpatient physicians’ care. For example, services received from physicians outside the network may be subject to a plan deductible and coinsurance. Services received from a network physician, however, may only require a small copayment, such as \$10 per office visit. The plan covers the remaining cost of such services.

### **Health maintenance organizations (HMO’s)**

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

HMO’s encourage preventive care, including physical examinations, vision screening, hearing care, well-baby care, and immunization and inoculation. Many HMO’s are federally qualified. In order to become federally qualified, these HMO’s must provide a minimum set of benefits, such as home health care, well-baby care, and hearing care.

Variation in coverage by type of medical care provider can affect the enrollees’ out-of-pocket expenses. Non-HMO plan participants generally pay a higher percentage of total health care expenses than HMO participants.<sup>6</sup>

### **Cost containment**

In addition to data on the extent of specific medical service coverage, the survey reports on availability of medical plans with either benefit management programs, managed care

plans, or review boards. These programs help make sure that the services rendered are medically necessary and are provided in the most appropriate health care setting. These programs were created partly in response to the rapid rise in medical care costs during the 1980's.

Most medical care participants have some kind of “managed care” provision available to them (table 59). This includes all participants in HMO and PPO plans, in which the plans manage care by directing patients to specific providers or services. In addition, many fee-for-service participants are in plans with at least one managed care feature. These could include preadmission certification for hospitalization, preadmission testing, and utilization review (tables 60-61).

Some advanced managed care programs may consist of four or more features. Frequently these include preadmission review of all hospital admissions for nonemergency and nonmaternity care, utilization review to monitor care while hospitalized, discharge planning to coordinate a continued course of treatment in more cost-effective health care settings, and mandatory second surgical opinions for selected procedures. A higher level of reimbursement for outpatient prehospitalization testing, a means of decreasing the length of hospitalization, is also common.

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

Increasingly, medical care plans require a separate deductible for hospital admission to discourage unnecessary hospitalization. These deductibles are often between \$100 and \$250 per hospital admission.

In fee-for-service plans, second surgical opinion provisions generally apply to inpatient surgical benefits (table 62). Plan enrollees usually receive lower levels of reimbursement if they do not obtain second opinions.

By their very nature, HMO's emphasize preventive, cost efficient medical care. Built-in forms of utilization review, including second surgical opinions, are automatically provided.

### Hospital coverage

All medical plan enrollees covered by the survey have coverage for hospital room and board charges (tables 63-65). (Coverage also extends to “miscellaneous” charges while hospitalized, such as routine nursing care, prescription drugs, and surgical dressings.) Many plans cover hospital room and board expenses at a percentage of the semiprivate room rate, frequently 80 percent. Coverage is typically subject to major medical limits of the plan, such as a yearly deductible, before the percent rate can go into effect. Other plans (called “first

dollar coverage” in this bulletin) either have hospital room and board expenses covered at the full semiprivate room rate for a specified period (usually 365 days per confinement), followed by a percentage of the semiprivate room rate, or reimburse expenses at the full semiprivate room rate for an unlimited number of days without imposing either a deductible or dollar maximum.

Significant differences in hospital room and board coverage are seen by type of medical care plan. Although HMO participants usually have hospital room and board fully covered without any limitations, total coverage is rare for hospitalization in non-HMO's. When there is a limit on room and board in HMO's, it is usually a copayment per admission, often between \$100 and \$250.

### Alternatives to hospitalization

To help keep down medical care costs, a number of plans provide coverage for less expensive alternatives to a hospital stay. These alternatives include extended care facilities, home health care, and hospices. Coverage patterns typically differ between HMO and non-HMO participants (tables 66-69).

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

Home health care provides skilled nursing and related services to patients in their own homes. Home health care benefits are provided to most HMO participants; these benefits are furnished less extensively to non-HMO participants (table 42). The higher incidence of coverage for home health care benefits in HMO's reflects the fact that federally qualified HMO's must provide this benefit. The majority of HMO participants in the survey belong to federally qualified plans. When home health care benefits are provided in HMO's, coverage is often unlimited. Unlimited coverage is quite rare in non-HMO's. Plans, especially non-HMO's, often limit the duration of stay in extended care facilities and the number of visits from home health care service providers.

Another alternative to hospitalization is hospice care (table 42). A hospice offers nursing care and psychological support to terminally ill patients—defined as individuals having 6 months or less to live—and to their families. Medical care plans cover hospice care less often than other alternatives to hospitalization.<sup>7</sup>

### Surgical coverage

Medical plans base payments for in-hospital surgery on the “usual, customary, and reasonable” (UCR) charges for the specific procedure performed.<sup>8</sup> In-hospital surgical benefits are likely to be covered under the plan's major medical

limits (table 70). In such cases, the plan coinsurance is applied to the UCR charges. Others are covered for the full UCR charges or according to a schedule establishing a maximum amount payable for each procedure. Charges exceeding the scheduled maximums, however, are usually covered, subject to the plan's overall deductible and coinsurance.

Medical plans usually cover outpatient surgery the same way as in-hospital surgery, whether in full, a percent of UCR charges, or subject to a schedule of maximum payments. For the majority of HMO enrollees, both inpatient and outpatient surgery are covered in full.

As the result of a steady rise in medical care costs, health care providers are encouraging enrollees to substitute less expensive outpatient services, such as outpatient surgery, for inpatient hospital services. To encourage the use of outpatient surgery, non-HMO's may provide higher reimbursement rates over those provided for inpatient surgery.<sup>9</sup>

### **Outpatient physicians visits and diagnostic services**

Virtually all health care participants have coverage for physicians' visits and diagnostic x-ray and laboratory tests (DXL) (tables 42, 43, and 46). Expenses for physicians' office visits and DXL in non-HMO's are generally covered as a percentage of usual, customary and reasonable charges and are subject to an annual deductible and a lifetime maximum benefit.

Most HMO's require copayments for office visits (table 71). Although copayments are virtually non-existent in fee-for-service plans, PPO's often require copayments for office visits. Copayments for office visits in HMO and PPO plans are usually minimal, such as \$5 and \$10 per visit.

### **Prescription drug benefits**

Almost all survey participants have medical plans that cover outpatient prescription drugs (tables 72-74). Inpatient prescription drugs are always covered under hospital miscellaneous services, generally in the same way as room and board charges. Outpatient prescription drugs are covered under separate provisions of the medical plan.

Coverage for outpatient prescription drugs differs by type of medical plan. Often, in non-HMO plans, outpatient prescription drugs are covered under general plan limitations; that is, before any benefits are provided, the participant has to meet an annual deductible. Services are then covered at the applicable coinsurance rate. However, in HMO's, prescription medications are usually covered subject to a minimal copayment, commonly \$5.

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

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

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

Pharmacies can often fill a prescription using either a brand name drug or a generic drug. Because generic drugs cost less than brand name drugs, participants usually receive higher reimbursement for obtaining generic drugs.

Mail order drug programs are often available to participants in addition to regular prescription drug coverage. These programs supply drugs for maintenance purposes, that is, drugs required on a continuous basis. In such arrangements, participants often receive a higher reimbursement or pay less for mail order drugs than for drugs purchased directly from a pharmacy.

Some fee-for-service plan participants may receive higher reimbursements if prescriptions are filled at certain pharmacies with discount policies. The plan providers negotiate the price of prescriptions with the pharmacies, usually at cost plus minimal dispensing fees. Group HMO plans normally have an in-house pharmacy, where minimal copayments are required for prescriptions. IPA HMO plans, on the other hand, might be affiliated with "discount" pharmacies, that also provide prescriptions with minimal copayments.<sup>10</sup>

### **Mental health coverage and substance abuse treatment**

Mental health coverage, though available to nearly all participants, is frequently subject to more restrictive limitations than other illnesses (tables 75-78). Medical care plan participants with mental health benefits frequently have more restrictive hospital coverage for mental illness than for other ailments. Plans usually limit the duration of hospital stays and frequently impose a separate, lower dollar maximum on covered hospital expenses (such as \$50,000 on all mental health benefits).

Even more restrictive is coverage for mental health care outside the hospital (psychiatric office visits). Coverage is nearly always subject to limits. Outpatient mental health care is normally covered for fewer visits per year than other outpatient services, and it is subject to maximum dollar limits on annual payments. Plans also frequently cover such care at a coinsurance rate lower than the usual 80 percent paid by plans for other illnesses.<sup>11</sup> In addition, expenses for outpatient mental health and substance abuse care often can not be used to meet the employee's maximum out-of-pocket expense limit (table 87). This restriction applies to inpatient care as well, but in fewer cases than to outpatient care. Reimbursement for these expenses does not increase to 100 percent even when the out-of-pocket expense is met.

Alcohol and drug abuse treatment benefits cover nearly all full-time medical participants (tables 79-86). Nearly all

participants with alcohol abuse treatment benefits have the same coverage for drug abuse treatment. Benefits provided under substance abuse care include both detoxification and rehabilitation. Detoxification involves supervised care by medical personnel designed to reduce or eliminate the symptoms of chemical dependency. Rehabilitation provides a variety of services intended to alter the behavior of substance abusers. Such services are generally provided once a person completes detoxification.

Detoxification is considered medically necessary, and thus nearly all medical plans include it as a benefit. There is a greater tendency to exclude inpatient rehabilitation, because it requires less constant and immediate care. Outpatient alcohol abuse treatment, generally rehabilitative care, is available to most participants with alcoholism coverage. Coverage patterns are similar for drug abuse treatment benefits.

As is the case with mental health care, plans are more restrictive in covering substance abuse treatment than other illnesses.<sup>12</sup> Participants are more likely to have inpatient detoxification treated the same as any other inpatient confinement than to have inpatient rehabilitation or outpatient care covered the same as any other illness. Limitations for substance abuse treatment most commonly include:

- Restrictions on the number of days of inpatient hospital care per year;
- Restrictions on the number of outpatient visits per year;
- Reduced coinsurance levels for outpatient treatment;
- Employee's share of the cost of outpatient care not included in out-of-pocket expense limit;
- Limits on maximum dollar amounts.<sup>13</sup>

### Other medical benefits

The survey also measures the incidence of several other services provided through medical care plans. For example, some plans cover at least part of the costs for routine physical examinations and well-baby care (table 42). HMO's nearly always include coverage for hearing care, physical examinations, well-baby care, and immunizations and inoculations. HMO's must include these benefits to qualify under the Health Maintenance Organization Act of 1973, as amended.<sup>14</sup>

### Participation requirements

Medical care plans typically require new employees to serve only a short eligibility period, if any, before coverage begins (table 88). Many medical care plan participants are allowed to join a plan immediately upon being hired. For participants who must complete a minimum length of service, the required period is often 1 to 3 months.

### Pre-existing condition limitation

Plans may impose restrictions on care provided to in-

dividuals who join a plan with a "pre-existing condition" (table 89). This is a medical condition that existed prior to coverage by the plan. Among the possible restrictions imposed is a limit on the amount the plan will pay for treatment of the condition or a specified time period after joining the plan during which no payment will be made for treatment of the condition.

### Coverage for retired workers

Although the Consolidated Omnibus Budget Reconciliation Act of 1985 requires employers to continue health care benefits for employees who are retired, laid off, or otherwise separated from employment, workers may be charged all of the premium costs at group rates. In addition, the continuation period stipulated by the law is limited.<sup>15</sup> The survey of medium and large private establishments focuses on coverage for retired employees that is financed by the employer, the retiree, or both the employer and the retiree.

Many of the full-time medical care participants in the survey work for employers who finance, at least in part, medical care protection after retirement (table 90). These workers are commonly in plans that provide postretirement coverage regardless of their age. Retirees are usually covered by the same plan as active employees, although benefits are coordinated with Medicare once a retiree reaches age 65. It is more likely for the coverage to be partly paid by the retiree than to be wholly employer financed.

## Dental Care

Dental care benefits are available to most full-time employees in medium and large private establishments. Dental care may be offered as a part of a comprehensive medical and dental plan, or as a separate plan in addition to medical coverage. Often, employers offer a number of medical plans as well as a separate dental plan that can accompany any medical plan, from which employees may choose.

Employers may impose a service requirement before employees are covered by a dental care plan. When imposed, such requirements are often 1 or 3 months (table 91). Employers may set up a longer service requirement for dental coverage than for medical coverage.

A large majority of participants covered by dental care plans receive benefits through a fee-for-service plan, which reimburses patients or providers only after services are received (table 92). Such plans are commonly self-insured or obtained through a commercial insurer. The remaining participants have their dental benefits provided through either a HMO or a PPO.

Dental plans nearly always cover preventive and restorative services (table 93). Preventive care typically includes dental examinations, prophylaxis (cleaning), and x-rays. Restorative procedures include fillings, periodontal care, endodontic care, prosthetics, and crowns. Periodontal care is the treatment of tissues and bones supporting the teeth.

Endodontics involves the treatment of the tooth pulp, such as root canal work. Prosthetics deals with the construction and fitting of bridges and dentures.

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

Three methods are generally used by dental care plans to cover services:

- Plan pays a percent of dental charges;
- Plan pays up to a specified dollar amount per procedure;
- Plan requires patient to pay an initial copayment, after which the plan pays additional charges.

Dental payments are frequently based on a proportion of the usual, customary, and reasonable charge for a procedure (table 94). The proportion covered by a plan often depends on the type of procedure performed. Less costly procedures such as examinations and x-rays may be covered at 100 percent. Fillings, surgery, endodontics, and periodontics are more likely to be covered at 80 percent. The most expensive procedures—crowns, prosthetics, and orthodontia—are often covered at 50 percent of the usual, customary, and reasonable charge.

Some dental plan participants are offered reimbursement based on a schedule of cash allowances. In this type of arrangement, each procedure is subject to a specified maximum dollar amount that the plan will pay to the participant or the dentist.

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

Frequently, plans specify a deductible amount before any dental benefits are paid by the plan. Deductibles for individual coverage, such as \$25 and \$50 per year (tables 95- 97), often apply; family deductibles are usually two or three times the individual deductibles in the same plans. Some plans require

the participant to pay a one-time deductible (usually \$50) rather than a yearly deductible. When a deductible is specified, it frequently applies to restorative services. Deductibles are less common for preventive services and orthodontia.

Most plans limit the amount of payment each year by specifying an annual maximum benefit, for example, \$1,000 per year (tables 98-99). Benefits for orthodontic services are often subject to a separate lifetime maximum, commonly ranging between \$1,000 and \$1,500.<sup>16</sup>

As a cost containment technique, dental plans often require participants to obtain authorization from the plan before undergoing expensive treatment (table 100). Usually, procedures costing \$200 or more are subject to advance authorization.

## Vision Care

Vision care coverage, when available, is typically provided through a fee-for-service plan. Vision benefits may also be available through an HMO or a PPO, which restrict providers available to enrollees to those participating in the network.

Vision benefits cover eyeglasses, and, with few exceptions, eye examinations and contact lenses (table 101). To be included in the survey, contact lenses must be available for cosmetic reasons. Coverage limited to medically necessary contact lenses is not included in the survey.

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

Some vision care participants have eye examinations and eyeglasses paid in full; a few have contact lenses covered in full.<sup>17</sup>

<sup>5</sup> For a more detailed discussion on HMO's, see Thomas P. Burke and

—ENDNOTES—

Rita S. Jain, "Trends in Employer-Provided Health Care Benefits," *Monthly Labor Review*, February 1991, pp. 24-30.

<sup>6</sup> For more information regarding out-of-pocket expenses for medical services, see Allan P. Blostin, Robert B. Grant, and William J. Wiatrowski, "Employee Payments for Health Care Services," *Monthly Labor Review*, November 1992, pp. 17-32.

<sup>7</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>8</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.

<sup>9</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.

<sup>10</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.

<sup>11</sup> A detailed examination of mental health care provisions in employer-provided health care plans is provided by Allan P. Blostin in "Mental Health Benefits Financed By Employers," *Monthly Labor Review*, July 1987, pp. 23-27.

<sup>12</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 illness exceeds 30 days per year, that plan contains separate, more restrictive, limits.

<sup>13</sup> For further information, see *Substance Abuse Provisions in Employee Benefit Plans*, Bulletin No. 2412, U.S. Department of Labor, Bureau of Labor Statistics, August, 1992.

<sup>14</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.

<sup>15</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>16</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>17</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 41. Medical care benefits: Summary of selected features, full-time employees, medium and large private establishments, 1995**

Item	All employees	Professional, technical, and related employees	Clerical and sales employees	Blue-collar and service employees
Number (in thousands) with medical care <sup>1</sup> .....	25,546	7,467	6,158	11,921
	Percent			
Total with medical care .....	100	100	100	100
Traditional fee-for-service <sup>2</sup> ...	37	29	30	45
Preferred provider organization <sup>3</sup> .....	34	36	36	33
Prepaid health maintenance organization <sup>4</sup> .....	27	33	32	21
Retiree coverage available <sup>5</sup> .....	46	51	50	41
With a service requirement ...	64	51	67	71

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

<sup>3</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 nonmembers' services.

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

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

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

**Table 42. Medical care benefits: Coverage for selected services, by type of plan, full-time employees, medium and large private establishments, 1995**

Categories of care	All employees			Professional, technical, and related employees			Clerical and sales employees			Blue-collar and service employees		
	All plans	Non-HMO plans	HMO plans	All plans	Non-HMO plans	HMO plans	All plans	Non-HMO plans	HMO plans	All plans	Non-HMO plans	HMO plans
Number of employees (in thousands) .....	25,546	18,558	6,988	7,467	4,968	2,499	6,158	4,170	1,988	11,921	9,419	2,502
	Percent											
Hospital room and board .....	100	100	100	100	100	100	100	100	100	100	100	100
Inpatient surgery .....	100	100	100	100	100	100	100	100	100	100	100	100
Outpatient surgery <sup>1</sup> .....	100	100	100	100	100	100	100	100	100	100	100	100
Inpatient physician visits .....	100	100	100	100	100	100	100	100	100	100	100	100
Office physician visits .....	100	100	100	100	100	100	100	100	100	100	100	100
Diagnostic X-ray and laboratory	100	100	100	100	100	100	100	100	100	100	100	100
Extended care <sup>2</sup> .....	73	71	80	77	75	80	71	70	74	72	69	83
Home health care <sup>2</sup> .....	78	73	91	81	76	92	79	73	91	75	71	91
Hospice care .....	56	61	44	60	65	49	54	61	37	56	59	44
Inpatient mental health .....	97	98	94	97	99	94	97	98	94	97	98	92
Outpatient mental health .....	91	90	95	92	90	96	94	93	96	90	89	94
Inpatient alcohol detoxification <sup>3</sup>	98	97	100	99	99	99	98	97	100	98	97	100
Inpatient alcohol rehabilitation <sup>4</sup>	77	81	66	77	81	69	76	83	61	77	80	66
Outpatient alcohol rehabilitation <sup>4</sup> .....	81	81	80	82	81	83	81	84	77	80	80	80
Inpatient drug detoxification .....	97	97	98	98	98	99	96	96	96	97	96	100
Inpatient drug rehabilitation .....	76	80	65	77	81	69	75	83	60	76	79	65
Outpatient drug rehabilitation ...	80	81	80	81	80	83	81	83	77	79	79	80
Hearing care <sup>5</sup> .....	33	12	87	39	14	89	35	10	88	28	13	85
Physical exam .....	56	40	98	63	45	99	57	38	96	50	37	99
Well-baby care .....	60	46	97	65	49	99	62	46	94	56	44	98
Immunization and inoculation ...	47	31	91	53	33	93	46	25	90	44	32	91

<sup>1</sup> Charges incurred in the outpatient department of a hospital and outside the hospital.

<sup>2</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>3</sup> Detoxification is the systematic use of medication and other methods under medical supervision to reduce or eliminate the effects of substance abuse.

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

<sup>5</sup> Plans provide, as a minimum, coverage for hearing examination expenses.

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

**Table 43. Non-health maintenance organizations: Coverage for selected services, full-time employees, medium and large private establishments, 1995**

Category of care and extent of coverage	All employees	Professional, technical, and related employees	Clerical and sales employees	Blue-collar and service employees
<b>Hospital room and board</b>				
Total with coverage .....	100	100	100	100
Covered in full .....	6	6	7	5
Subject to separate limits only <sup>1</sup> .....	3	1	3	4
Subject to separate limits plus major medical .....	22	27	21	20
Major medical only <sup>2</sup> .....	69	65	69	70
<b>Inpatient surgery</b>				
Total with coverage .....	100	100	100	100
Covered in full .....	11	13	10	11
Subject to separate limits only <sup>1</sup> .....	1	( <sup>3</sup> )	1	2
Subject to separate limits plus major medical .....	6	5	6	6
Major medical only <sup>2</sup> .....	82	81	83	81
<b>Outpatient surgery<sup>4</sup></b>				
Total with coverage .....	100	100	100	100
Covered in full .....	12	13	12	12
Subject to separate limits only <sup>1</sup> .....	2	1	2	3
Subject to separate limits plus major medical .....	6	6	7	6
Major medical only <sup>2</sup> .....	80	80	80	79
<b>Inpatient physician visits</b>				
Total with coverage .....	100	100	100	100
Covered in full .....	10	10	9	9
Subject to separate limits only <sup>1</sup> .....	1	1	( <sup>3</sup> )	2
Subject to separate limits plus major medical .....	8	10	8	7
Major medical only <sup>2</sup> .....	81	80	83	82

See footnotes at end of table.

**Table 43. Non-health maintenance organizations: Coverage for selected services, full-time employees, medium and large private establishments, 1995 — Continued**

Category of care and extent of coverage	All employees	Professional, technical, and related employees	Clerical and sales employees	Blue-collar and service employees
<b>Office physician visits</b>				
Total with coverage .....	100	100	100	100
Covered in full .....	2	1	1	3
Subject to separate limits only <sup>1</sup> .....	16	17	18	13
Subject to separate limits plus major medical .....	16	21	18	13
Major medical only <sup>2</sup> .....	66	61	62	71
<b>Diagnostic x-ray and laboratory</b>				
Total with coverage .....	100	100	100	100
Covered in full .....	13	14	13	12
Subject to separate limits only <sup>1</sup> .....	1	1	1	2
Subject to separate limits plus major medical .....	9	10	7	10
Major medical only <sup>2</sup> .....	77	76	79	76

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

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

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

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

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

**Table 44. Non-health maintenance organizations: Coverage for alternatives to hospital care, full-time employees, medium and large private establishments, 1995**

Category of care and extent of coverage	All employees	Professional, technical, and related employees	Clerical and sales employees	Blue-collar and service employees
<b>Extended care<sup>1</sup></b>				
Total with coverage .....	100	100	100	100
Covered in full .....	2	2	2	2
Subject to separate limits only <sup>2</sup> .....	9	10	9	9
Subject to separate limits plus major medical .....	70	65	70	72
Major medical only <sup>3</sup> .....	19	23	19	17
<b>Home health care<sup>1</sup></b>				
Total with coverage .....	100	100	100	100
Covered in full .....	6	9	6	5
Subject to separate limits only <sup>2</sup> .....	9	9	7	8
Subject to separate limits plus major medical .....	54	52	57	53
Major medical only <sup>3</sup> .....	31	30	30	33
<b>Hospice care</b>				
Total with coverage .....	100	100	100	100
Covered in full .....	9	11	8	7
Subject to separate limits only <sup>2</sup> .....	7	9	5	8
Subject to separate limits plus major medical .....	42	37	51	40
Major medical only <sup>3</sup> .....	42	43	36	45

<sup>1</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>2</sup> Separate limits apply to individual categories of care; e.g., separate limits or benefits for extended care. Limits may be set in terms of dollar or day ceilings on benefits, a requirement that the participant pay a percentage of costs (coinsurance), or a requirement that the participant pay a specific amount (deductible or copayment) before reimbursement begins or services are rendered.

<sup>3</sup> Major medical limits are expressed in terms of total benefits payable under the plan, rather than for individual categories of care. Limits are set as deductibles, coinsurance percentages, and overall dollar limits on plan benefits.

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

**Table 45. Non-health maintenance organizations: Coverage for mental health and substance abuse treatment, full-time employees, medium and large private establishments, 1995**

Category of care and extent of coverage	All employees	Professional, technical, and related employees	Clerical and sales employees	Blue-collar and service employees
<b>Inpatient mental health</b>				
Total with coverage .....	100	100	100	100
Covered in full .....	2	2	2	3
Subject to separate limits only <sup>1</sup> .....	16	13	13	19
Subject to separate limits plus major medical .....	66	66	73	63
Major medical only <sup>2</sup> .....	15	19	12	15
<b>Outpatient mental health</b>				
Total with coverage .....	100	100	100	100
Covered in full .....	1	1	1	1
Subject to separate limits only <sup>1</sup> .....	19	17	15	21
Subject to separate limits plus major medical .....	78	79	81	75
Major medical only <sup>2</sup> .....	3	3	3	3
<b>Inpatient alcohol detoxification<sup>3</sup></b>				
Total with coverage .....	100	100	100	100
Covered in full .....	3	3	3	3
Subject to separate limits only <sup>1</sup> .....	17	15	15	19
Subject to separate limits plus major medical .....	65	66	71	63
Major medical only <sup>2</sup> .....	15	16	12	15
<b>Inpatient alcohol rehabilitation<sup>4</sup></b>				
Total with coverage .....	100	100	100	100
Covered in full .....	2	2	2	2
Subject to separate limits only <sup>1</sup> .....	21	21	18	22
Subject to separate limits plus major medical .....	73	72	77	71
Major medical only <sup>2</sup> .....	4	5	3	5
<b>Outpatient alcohol rehabilitation<sup>4</sup></b>				
Total with coverage .....	100	100	100	100
Covered in full .....	1	2	1	1
Subject to separate limits only <sup>1</sup> .....	22	20	18	24
Subject to separate limits plus major medical .....	75	76	78	72
Major medical only <sup>2</sup> .....	3	2	3	3

See footnotes at end of table.

**Table 45. Non-health maintenance organizations: Coverage for mental health and substance abuse treatment, full-time employees, medium and large private establishments, 1995 — Continued**

Category of care and extent of coverage	All employees	Professional, technical, and related employees	Clerical and sales employees	Blue-collar and service employees
<b>Inpatient drug detoxification<sup>3</sup></b>				
Total with coverage .....	100	100	100	100
Covered in full .....	3	3	3	3
Subject to separate limits only <sup>1</sup> .....	17	15	14	19
Subject to separate limits plus major medical .....	66	66	71	63
Major medical only <sup>2</sup> .....	15	16	12	15
<b>Inpatient drug rehabilitation<sup>4</sup></b>				
Total with coverage .....	100	100	100	100
Covered in full .....	2	2	2	2
Subject to separate limits only <sup>1</sup> .....	20	19	17	22
Subject to separate limits plus major medical .....	73	73	77	71
Major medical only <sup>2</sup> .....	5	5	4	4
<b>Outpatient drug rehabilitation<sup>4</sup></b>				
Total with coverage .....	100	100	100	100
Covered in full .....	1	1	1	1
Subject to separate limits only <sup>1</sup> .....	21	20	18	24
Subject to separate limits plus major medical .....	75	77	79	73
Major medical only <sup>2</sup> .....	2	2	2	3

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

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

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

<sup>4</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 46. Health maintenance organizations: Coverage for selected services, full-time employees, medium and large private establishments, 1995**

Category of care and extent of coverage	All employees	Professional, technical, and related employees	Clerical and sales employees	Blue-collar and service employees
<b>Hospital room and board</b>				
Total with coverage .....	100	100	100	100
Covered in full .....	77	81	78	73
Subject to limits <sup>1</sup> .....	23	19	22	27
<b>Inpatient surgery</b>				
Total with coverage .....	100	100	100	100
Covered in full .....	92	92	94	91
Subject to limits <sup>1</sup> .....	8	8	6	9
<b>Outpatient surgery<sup>2</sup></b>				
Total with coverage .....	100	100	100	100
Covered in full .....	80	84	77	79
Subject to limits <sup>1</sup> .....	20	16	23	21
<b>Inpatient physician visits</b>				
Total with coverage .....	100	100	100	100
Covered in full .....	94	94	96	94
Subject to limits <sup>1</sup> .....	6	6	4	6
<b>Office physician visits</b>				
Total with coverage .....	100	100	100	100
Covered in full .....	13	13	14	11
Subject to limits <sup>1</sup> .....	87	87	86	89
<b>Diagnostic x-ray and laboratory services</b>				
Total with coverage .....	100	100	100	100
Covered in full .....	94	95	95	93
Subject to limits <sup>1</sup> .....	6	5	5	7

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

<sup>2</sup> Charges incurred in the outpatient department of a hospital and outside of the hospital

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

**Table 47. Health maintenance organizations: Coverage for alternatives to hospital care, full-time employees, medium and large private establishments, 1995**

Category of care and extent of coverage	All employees	Professional, technical, and related employees	Clerical and sales employees	Blue-collar and service employees
<b>Extended care<sup>1</sup></b>				
Total with coverage .....	100	100	100	100
Covered in full .....	14	16	13	13
Subject to limits <sup>2</sup> .....	86	84	87	87
<b>Home health care<sup>1</sup></b>				
Total with coverage .....	100	100	100	100
Covered in full .....	76	78	78	73
Subject to limits <sup>2</sup> .....	24	22	22	27
<b>Hospice care</b>				
Total with coverage .....	100	100	100	100
Covered in full .....	61	68	55	57
Subject to limits <sup>2</sup> .....	39	32	45	43

<sup>1</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>2</sup> Limits may be set in terms of dollar or day ceilings on benefits, a requirement that the participant pay a percentage of cost (coinsurance), or a requirement that the participant pay a specific amount (deductible or copayment) before reimbursement begins or services are rendered.

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

**Table 48. Health maintenance organizations: Coverage for mental health and substance abuse treatment, full-time employees, medium and large private establishments, 1995**

Category of care and extent of coverage	All employees	Professional, technical, and related employees	Clerical and sales employees	Blue-collar and service employees
<b>Inpatient mental health</b>				
Total with coverage .....	100	100	100	100
Covered in full .....	8	11	6	5
Subject to limits <sup>1</sup> .....	92	89	94	95
<b>Outpatient mental health</b>				
Total with coverage .....	100	100	100	100
Covered in full .....	1	1	3	( <sup>2</sup> )
Subject to limits <sup>1</sup> .....	99	99	97	100
<b>Inpatient alcohol detoxification<sup>3</sup></b>				
Total with coverage .....	100	100	100	100
Covered in full .....	35	38	39	29
Subject to limits <sup>1</sup> .....	65	62	61	71
<b>Inpatient alcohol rehabilitation<sup>4</sup></b>				
Total with coverage .....	100	100	100	100
Covered in full .....	10	11	10	8
Subject to limits <sup>1</sup> .....	90	89	90	92
<b>Outpatient alcohol rehabilitation<sup>4</sup></b>				
Total with coverage .....	100	100	100	100
Covered in full .....	5	5	7	2
Subject to limits <sup>1</sup> .....	95	95	93	98

See footnotes at end of table.

**Table 48. Health maintenance organizations: Coverage for mental health and substance abuse treatment, full-time employees, medium and large private establishments, 1995 — Continued**

Category of care and extent of coverage	All employees	Professional, technical, and related employees	Clerical and sales employees	Blue-collar and service employees
<b>Inpatient drug detoxification<sup>3</sup></b>				
Total with coverage .....	100	100	100	100
Covered in full .....	36	38	40	29
Subject to limits <sup>1</sup> .....	64	62	60	71
<b>Inpatient drug rehabilitation<sup>4</sup></b>				
Total with coverage .....	100	100	100	100
Covered in full .....	9	11	9	7
Subject to limits <sup>1</sup> .....	91	89	91	93
<b>Outpatient drug rehabilitation<sup>4</sup></b>				
Total with coverage .....	100	100	100	100
Covered in full .....	4	4	7	2
Subject to limits <sup>1</sup> .....	96	96	93	98

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

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

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

<sup>4</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 49. Medical care benefits:<sup>1</sup> Fee arrangement and financial intermediary, full-time employees, medium and large private establishments, 1995**

Fee arrangement	All employees	Professional, technical, and related employees	Clerical and sales employees	Blue-collar and service employees
Number (in thousands) with medical care .....	25,546	7,467	6,158	11,921
	Percent			
Total with medical care .....	100	100	100	100
Traditional fee-for-service <sup>2</sup> ...	37	29	30	45
Self insured <sup>3</sup> .....	26	20	20	33
With administrative services only contract <sup>4</sup> .....	15	13	11	19
Without administrative services only contract .....	11	7	9	14
Commercial insurance company .....	6	5	6	6
Blue Cross/Blue Shield .....	5	5	5	6
Combined financed <sup>5</sup> .....	( <sup>6</sup> )	( <sup>6</sup> )	( <sup>6</sup> )	( <sup>6</sup> )
Preferred provider organization <sup>7</sup> .....	34	36	36	33
Self insured <sup>3</sup> .....	21	24	25	18
With administrative services only contract <sup>4</sup> .....	14	15	19	11
Without administrative services only contract .....	7	9	6	7
Commercial insurance company .....	9	7	6	11
Blue Cross/Blue Shield .....	4	4	4	4
Combined financed <sup>5</sup> .....	( <sup>6</sup> )	( <sup>6</sup> )	( <sup>6</sup> )	( <sup>6</sup> )

See footnotes at end of table.

**Table 49. Medical care benefits:<sup>1</sup> Fee arrangement and financial intermediary, full-time employees, medium and large private establishments, 1995 — Continued**

Fee arrangement	All employees	Professional, technical, and related employees	Clerical and sales employees	Blue-collar and service employees
Total with medical care				
Health maintenance organization <sup>8</sup> .....	27	33	32	21
Commercial insurance company .....	6	6	7	4
Blue Cross/Blue Shield .....	3	4	3	3
Independent organization <sup>9</sup> .....	18	24	23	13
Combined financed <sup>5</sup> .....	( <sup>6</sup> )	-	( <sup>6</sup> )	( <sup>6</sup> )
Other <sup>10</sup> .....	1	1	2	1

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

<sup>3</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>4</sup> An arrangement where an establishment pays the cost of benefits, but hires another establishment to handle administrative services.

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

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

<sup>7</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>8</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>9</sup> These organizations provide and finance all benefits, but are not affiliated with an insurance company or Blue Cross/Blue Shield.

<sup>10</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 50. Health maintenance organizations: Summary of selected features, full-time employees, medium and large private establishments, 1995**

Feature	All employees	Professional, technical, and related employees	Clerical and sales employees	Blue-collar and service employees
Number (in thousands) in HMO plans .....	6,988	2,499	1,988	2,502
	Percent			
Total in HMO plans .....	100	100	100	100
Model type:				
Group/staff <sup>1</sup> .....	31	32	26	34
Individual practice association <sup>2</sup> .....	43	45	44	42
Mixed model <sup>3</sup> .....	23	21	28	20
Not determinable .....	3	2	2	4
Point of service feature <sup>4</sup> .....	15	16	13	15
Federally qualified .....	65	66	69	61
Limit on copayments <sup>5</sup> .....	29	27	24	33
Preventive dental care <sup>6</sup> .....	11	13	8	10
Vision screening or examinations .....	87	87	87	88

<sup>1</sup> Care is provided at centralized locations.

<sup>2</sup> Care is provided by doctors working out of their offices.

<sup>3</sup> When an HMO uses a combination of models--group, staff, and individual association--it is referred to as a mixed model.

<sup>4</sup> Enrollees may obtain care from non-HMO providers, with limited reimbursement.

<sup>5</sup> In these plans, HMO's limit the dollar amount the individual pays after which coverage is in full. For example, there is a copayment limit of \$1,000 after which the HMO covers all services at 100 percent.

<sup>6</sup> Includes dental examinations and/or x-rays only.

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

**Table 51. Non-health maintenance organizations: Amount of individual deductible,<sup>1</sup> full-time employees, medium and large private establishments, 1995**

Deductible <sup>2</sup>	All employees			Professional, technical, and related employees			Clerical and sales employees			Blue-collar and service employees		
	All non-HMO plans <sup>3</sup>	Fee-for-service plans	Preferred provider organizations	All non-HMO plans <sup>3</sup>	Fee-for-service plans	Preferred provider organizations	All non-HMO plans <sup>3</sup>	Fee-for-service plans	Preferred provider organizations	All non-HMO plans <sup>3</sup>	Fee-for-service plans	Preferred provider organizations
Number (in thousands) in non-HMO plans .....	18,558	9,430	8,770	4,968	2,187	2,676	4,170	1,858	2,218	9,419	5,385	3,876
	Percent											
Total in non-HMO plans .....	100	100	100	100	100	100	100	100	100	100	100	100
Deductible specified .....	77	91	63	74	92	61	73	91	60	80	91	67
Deductible on an annual basis <sup>4</sup> .....	76	91	63	73	92	60	73	91	60	80	91	67
Based on earnings <sup>5</sup> .....	8	10	6	8	12	6	7	10	4	9	10	9
Flat dollar amount .....	68	81	57	65	80	55	66	81	56	70	80	59
Less than \$100 .....	2	1	2	2	1	3	1	1	1	2	2	2
\$100 .....	17	20	14	12	15	10	14	18	11	20	23	18
\$101 - \$149 .....	( <sup>6</sup> )	( <sup>6</sup> )	( <sup>6</sup> )	( <sup>6</sup> )	1	-	( <sup>6</sup> )	-	( <sup>6</sup> )	( <sup>6</sup> )	( <sup>6</sup> )	-
\$150 .....	9	11	7	9	11	7	7	6	7	10	12	6
\$151 - \$199 .....	( <sup>6</sup> )	( <sup>6</sup> )	1	( <sup>6</sup> )	( <sup>6</sup> )	( <sup>6</sup> )	( <sup>6</sup> )	( <sup>6</sup> )	1	1	( <sup>6</sup> )	1
\$200 .....	18	19	17	17	19	16	18	20	16	18	19	17
\$201 - \$249 .....	( <sup>6</sup> )	( <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> )
\$250 .....	8	11	5	9	14	4	10	15	7	6	9	4
\$251 - \$299 .....	( <sup>6</sup> )	( <sup>6</sup> )	( <sup>6</sup> )	( <sup>6</sup> )	( <sup>6</sup> )	( <sup>6</sup> )	( <sup>6</sup> )	( <sup>6</sup> )	( <sup>6</sup> )	( <sup>6</sup> )	( <sup>6</sup> )	-
\$300 .....	5	5	6	6	6	6	5	6	4	5	4	7
Over \$300 .....	9	12	6	10	13	7	11	15	8	7	10	4
Other .....	( <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	-
No deductible .....	23	8	36	26	7	39	26	7	40	20	9	33
Not determinable .....	( <sup>6</sup> )	1	( <sup>6</sup> )	( <sup>6</sup> )	( <sup>6</sup> )	( <sup>6</sup> )	1	1	1	( <sup>6</sup> )	( <sup>6</sup> )	( <sup>6</sup> )
	Average <sup>7</sup>											
Average annual deductible .....	\$247	\$264	\$222	\$264	\$285	\$239	\$273	\$295	\$247	\$229	\$245	\$199

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

<sup>3</sup> These plans include fee-for-service, preferred provider organizations, and exclusive provider organizations.

<sup>4</sup> Deductibles are calculated on an annual basis, with the enrollee responsible for satisfying a new deductible requirement each plan year.

<sup>5</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>6</sup> Less than 0.5 percent.

<sup>7</sup> The average is presented for all covered workers; averages exclude workers without the plan provision.

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

**Table 52. Non-health maintenance organizations: Relationship of individual and family deductibles,<sup>1</sup> full-time employees, medium and large private establishments, 1995**

Relationship of individual and family deductibles	All employees			Professional, technical, and related employees			Clerical and sales employees			Blue-collar and service employees		
	All non-HMO plans <sup>2</sup>	Fee-for-service plans	Preferred provider organizations	All non-HMO plans <sup>2</sup>	Fee-for-service plans	Preferred provider organizations	All non-HMO plans <sup>2</sup>	Fee-for-service plans	Preferred provider organizations	All non-HMO plans <sup>2</sup>	Fee-for-service plans	Preferred provider organizations
Number (in thousands) in non-HMO plans .....	18,558	9,430	8,770	4,968	2,187	2,676	4,170	1,858	2,218	9,419	5,385	3,876
	Percent											
Total with non-HMO plans .....	100	100	100	100	100	100	100	100	100	100	100	100
Individual and family deductibles specified .....	61	70	53	60	72	53	60	72	51	62	68	55
Family deductible is multiple of individual deductible <sup>3</sup> .....	52	62	43	53	63	46	50	64	39	53	61	43
1 times .....	( <sup>4</sup> )	1	( <sup>4</sup> )	( <sup>4</sup> )	( <sup>4</sup> )	( <sup>4</sup> )	( <sup>4</sup> )	( <sup>4</sup> )	( <sup>4</sup> )	1	1	( <sup>4</sup> )
1.1 to 1.9 times .....	( <sup>4</sup> )	( <sup>4</sup> )	( <sup>4</sup> )	1	1	1	( <sup>4</sup> )	1	( <sup>4</sup> )	( <sup>4</sup> )	( <sup>4</sup> )	( <sup>4</sup> )
2 times .....	22	27	18	24	29	21	21	28	16	22	26	17
2.1 to 2.4 times .....	1	2	-	1	2	-	2	3	-	1	1	-
2.5 times .....	2	2	3	3	3	2	2	3	2	3	2	4
2.6 to 2.9 times .....	1	1	1	1	1	1	( <sup>4</sup> )	( <sup>4</sup> )	1	1	2	( <sup>4</sup> )
3 times .....	24	27	21	23	26	21	24	28	20	24	27	22
Greater than 3 times .....	1	1	-	( <sup>4</sup> )	( <sup>4</sup> )	-	( <sup>4</sup> )	1	-	1	2	-
Specified number of individual deductibles must be met to satisfy family deductible <sup>5</sup> .....	9	8	10	8	9	6	10	8	12	9	7	12
Less than 3 individual deductibles .....	4	4	4	3	4	2	4	4	5	4	3	5
3 individual deductibles .....	5	4	6	5	6	4	6	4	8	5	3	7
More than 3 individual deductibles .....	( <sup>4</sup> )	( <sup>4</sup> )	( <sup>4</sup> )	( <sup>4</sup> )	( <sup>4</sup> )	( <sup>4</sup> )	( <sup>4</sup> )	-	( <sup>4</sup> )	( <sup>4</sup> )	( <sup>4</sup> )	( <sup>4</sup> )
No individual and/or family deductible .....	39	30	46	39	28	47	39	26	48	38	32	45
Not determinable .....	( <sup>4</sup> )	1	( <sup>4</sup> )	( <sup>4</sup> )	( <sup>4</sup> )	( <sup>4</sup> )	1	1	1	( <sup>4</sup> )	( <sup>4</sup> )	( <sup>4</sup> )

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

<sup>2</sup> These plans include fee-for-service, preferred provider organizations, and exclusive provider organizations.

<sup>3</sup> For example, the individual deductible requirement is \$100 while the family deductible requirement is \$300.

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

<sup>5</sup> For example, the individual requirement is \$100 and three individual deductibles must be met to satisfy the family requirement.

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

**Table 53. Non-health maintenance organizations: Coinsurance rates, full-time employees, medium and large private establishments, 1995**

Coinsurance	All employees			Professional, technical, and related employees			Clerical and sales employees			Blue-collar and service employees		
	All non-HMO plans <sup>1</sup>	Fee-for-service plans	Preferred provider organizations	All non-HMO plans <sup>1</sup>	Fee-for-service plans	Preferred provider organizations	All non-HMO plans <sup>1</sup>	Fee-for-service plans	Preferred provider organizations	All non-HMO plans <sup>1</sup>	Fee-for-service plans	Preferred provider organizations
Number (in thousands) in non-HMO plans .....	18,558	9,430	8,770	4,968	2,187	2,676	4,170	1,858	2,218	9,419	5,385	3,876
	Percent											
Total with non-HMO plans .....	100	100	100	100	100	100	100	100	100	100	100	100
With coinsurance <sup>2</sup> .....	84	95	75	80	95	69	85	96	79	85	94	76
Coinsurance rate <sup>3</sup>												
80 percent .....	60	82	38	54	81	35	55	81	35	65	83	43
85 percent .....	4	4	4	3	4	2	5	5	6	4	4	5
90 percent .....	16	4	30	19	6	31	21	5	36	13	3	27
Other percent .....	3	5	2	3	5	2	4	5	2	3	4	1
Varies <sup>4</sup> .....	( <sup>5</sup> )	( <sup>5</sup> )	-	-	-	-	( <sup>5</sup> )	1	-	( <sup>5</sup> )	( <sup>5</sup> )	-
Without coinsurance <sup>6</sup> .....	16	5	25	20	5	31	15	4	21	15	6	24

<sup>1</sup> These plans include fee-for-service, preferred provider organizations, and exclusive provider organizations.

<sup>2</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 expenses reach \$1,000, and then coverage is at 100 percent.

<sup>3</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>4</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>5</sup> Less than 0.5 percent.

<sup>6</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 54. Non-health maintenance organizations: Maximum out-of-pocket expense provisions, full-time employees, medium and large private establishments, 1995**

Item	All employees			Professional, technical, and related employees			Clerical and sales employees			Blue-collar and service employees		
	All non-HMO plans <sup>1</sup>	Fee-for-service plans	Preferred provider organizations	All non-HMO plans <sup>1</sup>	Fee-for-service plans	Preferred provider organizations	All non-HMO plans <sup>1</sup>	Fee-for-service plans	Preferred provider organizations	All non-HMO plans <sup>1</sup>	Fee-for-service plans	Preferred provider organizations
Number (in thousands) with non-HMO plans .....	18,558	9,430	8,770	4,968	2,187	2,676	4,170	1,858	2,218	9,419	5,385	3,876
	Percent											
Total with non-HMO plans .....	100	100	100	100	100	100	100	100	100	100	100	100
With limit on out-of-pocket expense .....	83	88	79	81	90	74	85	90	81	83	86	80
With an annual dollar maximum on out-of-pocket expense <sup>2</sup> .....	71	77	66	71	80	64	71	79	65	72	75	69
Per individual:												
\$1 - \$299 .....	1	1	1	2	2	3	1	1	1	1	1	1
\$300 .....	1	( <sup>3</sup> )	1	( <sup>3</sup> )	1	( <sup>3</sup> )	1	1	1	1	( <sup>3</sup> )	2
\$301 - \$399 .....	( <sup>3</sup> )	-	( <sup>3</sup> )	( <sup>3</sup> )	-	( <sup>3</sup> )	( <sup>3</sup> )	-	( <sup>3</sup> )	( <sup>3</sup> )	-	( <sup>3</sup> )
\$400 .....	4	4	3	3	4	2	3	4	3	4	4	4
\$401 - \$499 .....	( <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> )	( <sup>3</sup> )
\$500 .....	6	5	7	6	5	6	6	5	8	6	6	6
\$501 - \$749 .....	3	5	2	2	3	2	4	7	1	4	6	2
\$750 - \$999 .....	6	5	7	8	9	8	6	4	8	4	4	5
\$1,000 .....	18	15	21	16	16	16	16	16	17	19	13	27
\$1,001 - \$1,499 .....	7	9	6	7	9	6	9	12	7	6	7	5
\$1,500 - \$1,999 .....	11	15	8	11	14	8	9	10	8	13	17	7
\$2,000 .....	8	8	7	7	5	8	8	9	7	8	9	6
\$2,000 or greater .....	7	9	5	8	13	5	8	11	5	6	7	5
Per family:												
\$1 - \$499 .....	1	1	-	( <sup>3</sup> )	1	-	( <sup>3</sup> )	1	-	1	1	-
\$500 - \$749 .....	2	2	2	3	2	4	2	4	1	1	1	1
\$750 - \$999 .....	1	2	1	1	2	1	2	3	( <sup>3</sup> )	1	1	1
\$1,000 .....	4	3	4	3	2	4	4	3	5	4	3	5
\$1,001 - \$1,249 .....	1	1	1	1	1	1	1	1	1	2	2	2
\$1,250 - \$1,499 .....	( <sup>3</sup> )	1	( <sup>3</sup> )	( <sup>3</sup> )	1	( <sup>3</sup> )	1	1	( <sup>3</sup> )	( <sup>3</sup> )	( <sup>3</sup> )	( <sup>3</sup> )
\$1,500 .....	2	3	1	3	4	2	1	2	1	2	3	1
\$1,501 - \$1,999 .....	2	2	3	3	2	4	3	2	4	2	1	2
\$2,000 .....	6	5	7	8	7	8	6	5	6	6	4	7
\$2,001 - \$2,999 .....	7	8	6	9	8	11	7	11	3	6	7	4
\$3,000 .....	11	11	10	8	9	7	7	6	7	14	14	14
\$3,001 or greater .....	12	13	10	13	16	10	13	16	10	11	12	9
No family maximum ..	15	17	13	13	19	9	15	16	15	16	17	15
Family maximum cannot be computed <sup>4</sup> .....	8	8	8	6	6	5	10	8	12	8	8	8
Annual maximum on out-of-pocket expense based on earnings .....	9	8	10	8	8	8	11	8	15	8	7	9
Annual maximum on out-of-pocket expense varies by coinsurance rate <sup>5</sup> .....	3	4	2	2	3	1	2	4	1	3	4	2
Other .....	( <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> )	( <sup>3</sup> )	-

See footnotes at end of table.

**Table 54. Non-health maintenance organizations: Maximum out-of-pocket expense provisions, full-time employees, medium and large private establishments, 1995 — Continued**

Item	All employees			Professional, technical, and related employees			Clerical and sales employees			Blue-collar and service employees		
	All non-HMO plans <sup>1</sup>	Fee-for-service plans	Preferred provider organizations	All non-HMO plans <sup>1</sup>	Fee-for-service plans	Preferred provider organizations	All non-HMO plans <sup>1</sup>	Fee-for-service plans	Preferred provider organizations	All non-HMO plans <sup>1</sup>	Fee-for-service plans	Preferred provider organizations
	Percent											
Total with non-HMO plans												
No out-of-pocket expense required <sup>6</sup> .....	6	3	9	5	2	8	5	2	8	7	5	11
No limit on out-of-pocket expense .....	11	9	11	14	8	17	9	8	9	10	9	9
Not determinable .....	( <sup>3</sup> )	( <sup>3</sup> )	1	( <sup>3</sup> )	( <sup>3</sup> )	1	1	( <sup>3</sup> )	2	( <sup>3</sup> )	( <sup>3</sup> )	( <sup>3</sup> )
	Average <sup>7</sup>											
Average annual dollar maximum on individual out-of-pocket expense .....	\$1,358	\$1,450	\$1,229	\$1,419	\$1,542	\$1,293	\$1,354	\$1,439	\$1,247	\$1,328	\$1,414	\$1,179
Average annual dollar maximum on family out-of-pocket expense .....	2,858	2,923	2,738	2,894	3,135	2,654	2,948	2,980	2,878	2,801	2,807	2,736

<sup>1</sup> These plans include fee-for-service, preferred provider organizations, and exclusive provider organizations.

<sup>2</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.

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

<sup>4</sup> These are plans where a family maximum is stated in such a way that it cannot be computed. For example, the individual out-of-pocket expense is limited to \$1,000 per year and the family out-of-pocket expense is limited to three individuals. The family out-of-pocket expense cannot be computed because each of the three individuals must separately reach an out-of-pocket limit of \$1,000. Thus, if two individuals each reach \$1,000 in

their out-of-pocket expenses, and two other family members reach \$900 and \$800 respectively in out-of-pocket expenses, the family out-of-pocket limit would not have been met. A family dollar maximum cannot be computed in this example.

<sup>5</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>6</sup> All covered expenses are paid at 100 percent.

<sup>7</sup> The average is presented for all covered workers; averages exclude workers without the plan provision.

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

**Table 55. Non-health maintenance organizations: Maximum benefit provisions, full-time employees, medium and large private establishments, 1995**

Maximum <sup>1</sup>	All employees	Professional, technical, and related employees	Clerical and sales employees	Blue-collar and service employees
Number (in thousands) with non-HMO plans .....	18,558	4,968	4,170	9,419
	Percent			
Total with non-HMO plans .....	100	100	100	100
With maximum limits .....	72	68	68	76
Lifetime maximum only .....	70	68	67	72
Less than \$250,000 .....	2	( <sup>2</sup> )	1	3
\$250,000 .....	4	1	3	6
\$250,001 - \$499,999 .....	1	1	( <sup>2</sup> )	1
\$500,000 .....	6	5	5	7
\$500,001 - \$999,999 .....	1	( <sup>2</sup> )	1	2
\$1,000,000 .....	47	48	50	45
More than \$1,000,000 ..	9	13	7	8
Annual or disability maximum only .....	( <sup>2</sup> )	( <sup>2</sup> )	1	( <sup>2</sup> )
Both lifetime and annual or disability maximums ..	1	1	( <sup>2</sup> )	2
Other maximum .....	( <sup>2</sup> )	-	-	( <sup>2</sup> )
Without maximum limits .....	27	31	31	24
Not determinable .....	1	1	1	( <sup>2</sup> )
	Average <sup>3</sup>			
Average lifetime maximum .....	\$1,026,396	\$1,174,864	\$1,040,008	\$949,870

<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.

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

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

**Table 56. Medical care benefits: Average major medical provisions, full-time employees, medium and large private establishments, 1995**

Average <sup>1</sup>	All employees	Professional, technical, and related employees	Clerical and sales employees	Blue-collar and service employees
Annual deductible <sup>2</sup>				
Individual .....	\$247	\$264	\$273	\$229
Family .....	618	635	709	572
Annual out-of-pocket expense maximum <sup>3</sup>				
Individual .....	1,358	1,419	1,354	1,328
Family .....	2,858	2,894	2,948	2,801
Lifetime maximum <sup>4</sup> .....	1,026,396	1,174,864	1,040,008	949,870

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

<sup>2</sup> The deductible is the amount of covered expenses that an individual or family must pay before any charges are paid by the medical care plan. Deductibles that apply separately to a specific category of expense, such as a deductible for each hospital admission, were excluded from this tabulation.

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

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

**Table 57. Preferred provider organizations:<sup>1</sup> Summary of selected features, full-time employees, medium and large private establishments, 1995**

Item	All employees	Professional, technical, and related employees	Clerical and sales employees	Blue-collar and service employees
Number (in thousands) in PPO plans .....	8,770	2,676	2,218	3,876
	Percent			
Total with PPO plans .....	100	100	100	100
Services subject to PPO incentive:				
Hospital room and board ..	94	96	97	91
Surgery .....	92	90	94	92
Physician's in-hospital visits .....	92	90	93	92
Office visits .....	83	83	87	80
Outpatient prescription drugs .....	39	38	41	39
Type of PPO incentives: <sup>2</sup>				
Coinsurance rate differs ...	92	94	88	93
Lower annual deductible ...	49	46	51	49
Higher lifetime maximum benefit limit .....	8	8	9	9
Lower catastrophic maximum limit .....	54	54	52	55
Lower hospital deductible	18	21	16	17
Office visits copayment .....	40	45	44	35
Outpatient prescription drugs copayment .....	20	22	22	19
Discounted for PPO <sup>3</sup> .....	7	5	11	6
Not determinable .....	1	1	1	2

<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 the total because many plan participants were in plans with more than one incentive.

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

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

**Table 58. Preferred provider organizations:<sup>1</sup> Coinsurance rate comparison with traditional fee-for-service plans, full-time employees, medium and large private establishments, 1995**

Item	All employees	Professional, technical, and related employees	Clerical and sales employees	Blue-collar and service employees
Number (in thousands) in PPO plans .....	8,770	2,676	2,218	3,876
	Percent			
Total with PPO plans .....	100	100	100	100
Overall coinsurance rate differs based on PPO <sup>2</sup> ....	92	94	88	93
100 vs 80 .....	17	15	13	22
90 vs 80 .....	9	8	13	8
100 vs 70 .....	8	12	7	6
90 vs 70 .....	22	18	22	25
80 vs 70 .....	8	8	6	8
80 vs 60 .....	8	10	8	6
Other coinsurance rate .....	20	23	19	17
Overall coinsurance rate does not differ based on PPO .....	7	5	12	5
Not determinable .....	1	1	1	2

<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> The first figure is the percentage of covered expenses paid by the plan when a preferred provider is used; the second figure is the percentage of expenses paid by the plan when a non-preferred provider is used.

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

**Table 59. Medical care benefits: Availability of managed care benefits, full-time employees, medium and large private establishments, 1995**

Managed care plan	All employees	Professional, technical, and related employees	Clerical and sales employees	Blue-collar and service employees
Number (in thousands) with medical care .....	25,546	7,467	6,158	11,921
	Percent			
Total with medical care .....	100	100	100	100
With managed care benefits	91	92	92	90
Traditional fee-for-service with managed care features <sup>1</sup> .....	28	21	22	35
Preferred provider organization <sup>2</sup> .....	34	36	36	33
Exclusive provider organization <sup>3</sup> .....	1	1	2	1
Prepaid health maintenance organization <sup>4</sup> .....	27	33	32	21
Without managed care .....	9	8	8	10

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

<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> 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 60. Non-health maintenance organizations: Availability of selected cost containment features, full-time employees, medium and large private establishments, 1995**

Cost containment feature	All employees	Professional, technical, and related employees	Clerical and sales employees	Blue-collar and service employees
Number (in thousands) in non-HMO plans .....	18,558	4,968	4,170	9,419
	Percent			
Total with non-HMO plans .....	100	100	100	100
With cost containment features .....	77	74	75	79
Preadmission certification requirement .....	65	64	64	67
Utilization or concurrent review .....	38	35	39	39
Preadmission testing .....	42	40	37	45
Nonemergency weekend admission restriction ...	10	10	9	10
Hospital audit program .....	7	7	8	6
Other feature .....	( <sup>1</sup> )	( <sup>1</sup> )	-	( <sup>1</sup> )

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

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

**Table 61. Non-health maintenance organizations:  
Prehospitalization certification requirements, full-time  
employees, medium and large private establishments, 1995**

Managed care plan	All employees	Professional, technical, and related employees	Clerical and sales employees	Blue-collar and service employees
Number (in thousands) with preadmission certification ...	12,119	3,165	2,690	6,264
	Percent			
Total with preadmission certification .....	100	100	100	100
Plan does not impose penalty .....	4	6	5	2
Plan does impose penalty ....	96	94	95	98
No benefit .....	4	4	4	5
Deductible on hospital admission .....	34	32	39	33
Less than \$100 .....	1	-	( <sup>1</sup> )	1
\$100 - \$199 .....	5	5	6	4
\$200 - \$299 .....	12	7	15	13
\$300 - \$399 .....	6	10	5	4
\$400 - \$499 .....	2	3	1	2
\$500 or greater .....	9	7	12	9
Reduced coinsurance paid by plan .....	19	18	14	21
40 percent .....	( <sup>1</sup> )	-	( <sup>1</sup> )	( <sup>1</sup> )
50 percent .....	11	13	6	12
60 percent .....	2	2	2	1
80 percent .....	1	1	2	1
Other percent .....	5	3	5	6
Reduced coinsurance by ..	11	13	9	11
20 percent .....	4	6	4	3
25 percent .....	1	1	1	1
50 percent .....	5	6	4	5
Other percent .....	1	1	1	2
Reduced coinsurance paid by plan up to maximum deductible on hospital admission	7	6	5	8
Reduced coinsurance and separate deductible per admission .....	2	2	1	2
Other .....	4	3	4	5
Penalty not determinable ..	14	15	18	12

<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 62. Non-health maintenance organizations: Second surgical opinion provisions, full-time employees, medium and large establishments, 1995**

	All employees	Professional, technical, and related employees	Clerical and sales employees	Blue-collar and service employees
Number (in thousands) in non-HMO plans .....	18,558	4,968	4,170	9,419
	Percent			
Total with non-HMO plans .....	100	100	100	100
With second surgical opinion program .....	53	55	51	54
With no penalties for non-compliance .....	31	33	31	30
With penalties for non-compliance .....	22	21	20	23
Coinsurance reduced to:				
60 percent .....	1	1	2	1
50 percent .....	9	10	8	9
40 percent .....	1	2	1	1
Other .....	4	3	4	4
Lower schedule of payments .....	(1)	(1)	(1)	(1)
No coverage .....	(1)	(1)	(1)	(1)
Deductible imposed .....	3	3	2	4
Other penalties .....	(1)	(1)	(1)	1
Penalty not determinable .....	2	1	2	3
No second surgical opinion program <sup>2</sup> .....	47	45	49	46

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

<sup>2</sup> Includes plans in which documentation does not detail a second surgical opinion program. By definition, managed care plans, such as preferred provider organizations integrate second surgical opinion programs as part of their structure. These managed care plans are quite often responsible for initiating the second surgical opinion program. When this occurs, that program was not tabulated.

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

**Table 63. Non-health maintenance organizations: Extent of coverage for hospital room and board, full-time employees, medium and large private establishments, 1995**

Extent of coverage	All employees	Professional, technical, and related employees	Clerical and sales employees	Blue-collar and service employees
Number (in thousands) in non-HMO plans with hospital room and board coverage .....	18,558	4,968	4,170	9,419
	Percent			
Total in non-HMO plans with hospital room and board coverage .....	100	100	100	100
First dollar coverage only <sup>1</sup> .....	9	8	10	9
First dollar coverage then major medical .....	22	27	21	20
Major medical only <sup>2</sup> .....	69	65	69	70

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

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

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

**Table 64. Non-health maintenance organizations: Types of limitations on hospital room and board coverage, full-time employees, medium and large private establishments, 1995**

Type of coverage	All employees	Professional, technical, and related employees	Clerical and sales employees	Blue-collar and service employees
Number (in thousands) in non-HMO plans with hospital room and board coverage .....	18,558	4,968	4,170	9,419
	Percent			
Total in non-HMO plans with hospital room and board coverage .....	100	100	100	100
Covered in full .....	6	6	7	5
Subject to limits other than major medical .....	26	29	24	25
Separate copayment .....	10	14	12	8
Separate coinsurance .....	3	5	2	3
Limits on days .....	13	13	11	15
Per confinement .....	13	13	10	13
Per year .....	1	( <sup>1</sup> )	1	1
Limit on dollars .....	3	1	1	4
Other .....	( <sup>1</sup> )	1	( <sup>1</sup> )	( <sup>1</sup> )
Major medical limits only <sup>2</sup> .....	69	65	69	70

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

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

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

**Table 65. Hospital room and board coverage: Copayment provisions,<sup>1</sup> by type of plan, full-time employees, medium and large private establishments, 1995**

Type of copayment provision	All employees			Professional, technical, and related employees			Clerical and sales employees			Blue-collar and service employees		
	HMO plans <sup>2</sup>	Non-HMO plans		HMO plans <sup>2</sup>	Non-HMO plans		HMO plans <sup>2</sup>	Non-HMO plans		HMO plans <sup>2</sup>	Non-HMO plans	
		Fee-for-service plans <sup>3</sup>	Preferred provider organization <sup>4</sup>		Fee-for-service plans <sup>3</sup>	Preferred provider organization <sup>4</sup>		Fee-for-service plans <sup>3</sup>	Preferred provider organization <sup>4</sup>		Fee-for-service plans <sup>3</sup>	Preferred provider organization <sup>4</sup>
Number (in thousands) with separate copayment .....	1,200	534	1,220	318	174	466	365	128	336	518	232	417
	Percent											
Total with separate copayment	100	100	100	100	100	100	100	100	100	100	100	100
Per confinement .....	83	84	79	85	85	71	90	83	87	76	83	80
\$100 .....	18	30	28	22	19	28	10	19	38	21	43	21
\$200 .....	24	18	17	18	13	18	42	17	17	15	23	15
\$250 .....	13	2	4	13	3	( <sup>5</sup> )	11	2	7	14	( <sup>5</sup> )	6
\$300 .....	1	25	11	1	37	10	1	36	4	2	10	18
\$400 .....	1	3	-	( <sup>5</sup> )	2	-	1	-	-	1	5	-
\$500 .....	8	-	-	3	-	-	9	-	-	9	-	-
Greater than \$500 .....	2	2	-	2	( <sup>5</sup> )	-	4	7	-	1	( <sup>5</sup> )	-
Other .....	16	4	18	26	10	15	10	2	21	13	1	20
Limited to maximum amount per year <sup>6</sup> .....	10	2	8	9	3	11	6	1	2	13	1	10
Copayment per year .....	2	6	4	1	5	2	2	10	4	2	5	6
Copayment per day .....	17	9	21	16	14	31	10	6	17	24	6	14
Copayment limited to a specified number of days	-	6	( <sup>5</sup> )	-	5	( <sup>5</sup> )	-	3	( <sup>5</sup> )	-	10	-

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

<sup>2</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>3</sup> These plans pay for specific medical procedures as expenses are incurred.

<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> Less than 0.5 percent.

<sup>6</sup> These are plans where a limit is placed on the maximum copayment an individual is responsible for during the year. For example, an individual is subject to a copayment of \$100 per confinement with a limit of \$300 per year.

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

**Table 66. Non-health maintenance organizations: Extent of coverage for extended care facilities, full-time employees, medium and large private establishments, 1995**

Extent of coverage	All employees	Professional, technical, and related employees	Clerical and sales employees	Blue-collar and service employees
Number (in thousands) in non-HMO plans with extended care benefits .....	13,116	3,716	2,917	6,483
	Percent			
Total in non-HMO plans with extended care benefits .....	100	100	100	100
First dollar coverage only <sup>1</sup> ....	11	12	11	11
First dollar coverage then major medical .....	70	65	70	72
Major medical only <sup>2</sup> .....	19	23	19	17

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

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

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

**Table 67. Non-health maintenance organizations: Types of limitations on extended care facilities, full-time employees, medium and large private establishments, 1995**

Type of coverage	All employees	Professional, technical, and related employees	Clerical and sales employees	Blue-collar and service employees
Number (in thousands) in non-HMO plans with extended care benefits .....	13,116	3,716	2,917	6,483
	Percent			
Total in non-HMO plans with extended care benefits .....	100	100	100	100
Covered in full .....	2	2	2	2
Subject to limits other than major medical .....	79	75	79	81
Limit on days .....	71	66	72	74
Limit on dollars .....	3	4	3	2
Separate coinsurance .....	6	8	6	5
Limited to maximum percentage rate of prior hospital confinement .....	15	11	17	15
Other limits .....	4	6	4	2
Limits not determinable ....	1	1	( <sup>1</sup> )	1
Major medical limits only <sup>2</sup> .....	19	23	19	17

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

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

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

**Table 68. Non-health maintenance organizations: Limitations on days of extended care facility coverage, full-time employees, medium and large private establishments, 1995**

Day limits	All employees	Professional, technical, and related employees	Clerical and sales employees	Blue-collar and service employees
Number (in thousands) in non-HMO plans with day limits on extended care .....	8,822	2,270	2,012	4,540
	Percent			
Total in non-HMO plans with day limits on extended care	100	100	100	100
First dollar coverage <sup>1</sup> for a limited number of days per confinement .....	11	9	7	14
30 days .....	( <sup>2</sup> )	1	( <sup>2</sup> )	( <sup>2</sup> )
60 days .....	3	1	2	4
90 days .....	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )
120 days .....	1	2	2	1
180 days .....	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )
Other .....	6	4	3	9
Major medical coverage <sup>3</sup> for a limited number of days per confinement .....	41	45	41	38
30 days .....	1	1	( <sup>2</sup> )	1
60 days .....	13	14	14	12
90 days .....	3	7	2	2
100 days .....	5	7	6	3
120 days .....	10	10	13	9
180 days .....	2	5	1	2
Other .....	6	2	5	10
First dollar coverage <sup>1</sup> for a limited number of days per year .....	5	6	6	5
60 days .....	1	2	1	1
100 days .....	3	2	4	3
120 days .....	1	1	1	1
180 days .....	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )
Other .....	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )

See footnotes at end of table.

**Table 68. Non-health maintenance organizations: Limitations on days of extended care facility coverage, full-time employees, medium and large private establishments, 1995 — Continued**

Day limits	All employees	Professional, technical, and related employees	Clerical and sales employees	Blue-collar and service employees
	Percent			
Total in non-HMO plans with day limits on extended care Major medical coverage <sup>3</sup> for a limited number of days				
per year .....	43	40	46	43
60 days .....	17	12	13	21
90 days .....	2	2	4	2
100 days .....	7	8	6	8
120 days .....	11	12	17	9
180 days .....	( 2 )	( 2 )	( 2 )	( 2 )
Other .....	5	7	6	4
First dollar coverage <sup>1</sup> for a limited number of days per lifetime .....	( 2 )	1	( 2 )	( 2 )
Major medical coverage <sup>3</sup> for a limited number of days per lifetime .....	2	3	3	2
Days not determinable .....	( 2 )	1	( 2 )	( 2 )

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

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

<sup>3</sup> Major medical limits are expressed only in terms of total benefits payable under the plan, rather than for individual categories of care. Limits are set as deductibles, coinsurance percentages, and overall dollar limits on plan benefits.

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

**Table 69. Health maintenance organizations: Extent of coverage for extended care facilities, full-time employees, medium and large private establishments, 1995**

Type of coverage	All employees	Professional, technical, and related employees	Clerical and sales employees	Blue-collar and service employees
Number (in thousands) in HMO plans with extended care benefits .....	5,563	2,002	1,481	2,080
	Percent			
Total in HMO plans with extended care benefits .....	100	100	100	100
Covered in full .....	14	16	13	13
Day limit .....	81	81	77	84
Per year .....	60	60	58	60
30 days .....	4	3	3	5
60 days .....	7	6	7	8
90 days .....	2	2	2	3
100 days .....	35	41	39	26
Other .....	12	8	8	19
Per confinement .....	20	20	19	21
30 days .....	1	1	( <sup>1</sup> )	( <sup>1</sup> )
60 days .....	4	5	3	3
90 days .....	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	1
100 days .....	10	12	10	9
Other .....	6	3	5	9
Per lifetime .....	1	1	1	1
Not determinable .....	1	( <sup>1</sup> )	1	2
Other limits (only) .....	5	2	10	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 70. Non-health maintenance organizations: Extent of coverage for surgical services, full-time employees, medium and large private establishments, 1995**

Type of surgery and extent of coverage	All employees	Professional, technical, and related employees	Clerical and sales employees	Blue-collar and service employees
Number (in thousands) in non-HMO plans with inpatient surgery .....	18,558	4,968	4,170	9,419
Number (in thousands) in non-HMO plans with outpatient surgery .....	18,558	4,968	4,170	9,419
	Percent			
<b>Inpatient surgery</b>				
Total in non-HMO plans with inpatient surgery .....	100	100	100	100
Covered in full .....	11	13	10	11
Subject to limits other than major medical .....				
Dollar limit .....	7	6	7	8
Separate coinsurance ...	3	1	2	4
Separate deductible .....	3	4	3	3
Other limit .....	1	1	2	1
Other limit .....	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )
Major medical limits only <sup>2</sup>	82	81	83	81
<b>Outpatient surgery<sup>3</sup></b>				
Total in non-HMO plans with outpatient surgery .....	100	100	100	100
Covered in full .....	12	13	12	12
Subject to limits other than major medical .....				
Dollar limit .....	8	6	8	9
Separate coinsurance ...	3	1	2	4
Separate deductible .....	2	2	2	2
Other limit .....	1	1	1	1
Other limit .....	2	3	3	2
Major medical limits only <sup>2</sup>	80	80	80	79

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

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

<sup>3</sup> Charges incurred in the outpatient department of a hospital and outside of the hospital.

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

**Table 71. Health maintenance organizations: Extent of coverage for physicians' office visits, full-time employees, medium and large private establishments, 1995**

Item	All employees	Professional, technical, and related employees	Clerical and sales employees	Blue-collar and service employees
Number (in thousands) in HMO plans with physicians' office visits coverage .....	6,988	2,499	1,988	2,502
	Percent			
Total in HMO plans with physicians' office visits coverage .....	100	100	100	100
Covered in full .....	13	13	14	11
Subject to a copayment .....	86	86	85	87
\$1 per visit .....	( <sup>1</sup> )	-	( <sup>1</sup> )	-
\$2 per visit .....	1	1	2	1
\$3 per visit .....	1	1	2	1
\$4 per visit .....	( <sup>1</sup> )	( <sup>1</sup> )	1	-
\$5 per visit .....	34	33	34	35
\$6 - 9 per visit .....	( <sup>1</sup> )	( <sup>1</sup> )	1	( <sup>1</sup> )
\$10 per visit .....	42	43	39	43
More than \$10 per visit .....	6	6	7	6
Unspecified copayment .....	1	1	1	2
Subject to other limits only .....	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 72. Outpatient prescription drug benefits: Summary of coverage, full-time employees, medium and large private establishments, 1995**

Provision	All employees	Professional, technical, and related employees	Clerical and sales employees	Blue-collar and service employees
Number of employees (in thousands) with outpatient prescription drug coverage	24,770	7,199	6,020	11,551
	Percent			
Total with outpatient prescription drug coverage .....	100	100	100	100
Coverage for brand name drugs	99	99	99	99
Higher reimbursement for generic drugs .....	41	43	43	38
Coverage for mail order drugs <sup>1</sup>	32	33	33	32
Higher reimbursement for prescriptions filled at selected pharmacies .....	27	30	26	26

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

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

**Table 73. Outpatient prescription drug benefits: Brand name drug provisions in non-health maintenance organization plans, full-time employees, medium and large private establishments, 1995**

Type of coverage	All employees	Professional, technical, and related employees	Clerical and sales employees	Blue-collar and service employees
Number of employees (in thousands) in non-HMO plans with outpatient brand name drug coverage .....	17,495	4,699	3,925	8,871
	Percent			
Total in non-HMO plans with outpatient brand name drug coverage .....	100	100	100	100
Covered in full .....	( <sup>1</sup> )	( <sup>1</sup> )	1	1
Subject to the major medical limits of plan .....	58	58	53	61
Subject to copayment per prescription .....	45	46	48	44
Less than \$5.00 .....	5	5	4	5
\$5.00 .....	11	10	11	12
\$5.01-\$6.99 .....	2	3	1	1
\$7.00 .....	2	1	3	2
\$7.01-\$9.99 .....	7	5	10	6
\$10.00 .....	12	13	15	11
Greater than \$10.00 .....	4	6	4	4
Unspecified copayment .....	2	2	1	2
Subject to a separate yearly deductible .....	6	4	8	6
Subject to a separate coinsurance rate .....	8	11	8	7
Subject to a separate yearly maximum .....	1	( <sup>1</sup> )	1	2
Difference in cost between generic and brand name drugs <sup>2</sup> .....	4	6	5	3
Other .....	1	2	3	1

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

<sup>2</sup> These are plans where the individual participant is required to use a generic equivalent when available; if a generic equivalent is not chosen, the individual must pay the difference in total cost between the brand name and generic drug plus the cost to the individual. For example, if an individual is subject to a \$5 copayment for generic drugs and the brand name equivalent is purchased, the individual must pay the difference in total cost between the brand name and generic drug, plus the \$5 copayment.

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

**Table 74. Outpatient prescription drug benefits: Brand name drug provisions in health maintenance organization plans, full-time employees, medium and large private establishments, 1995**

Type of coverage	All employees	Professional, technical, and related employees	Clerical and sales employees	Blue-collar and service employees
Number of employees (in thousands) in HMO plans with outpatient brand name drug coverage .....	6,508	2,319	1,884	2,304
	Percent			
Total in HMO plans with outpatient brand name drug coverage .....	100	100	100	100
Covered in full .....	3	3	2	4
Subject to copayment per prescription .....	89	90	88	89
Less than \$5.00 .....	9	12	10	7
\$5.00 .....	40	38	42	41
\$5.01-\$6.99 .....	2	2	2	2
\$7.00 .....	5	5	2	7
\$7.01-\$9.99 .....	6	5	6	6
\$10.00 .....	17	19	18	15
Greater than \$10.00 .....	6	9	3	5
Unspecified copayment .....	4	3	3	6
Subject to a separate yearly deductible .....	2	1	2	4
Subject to a separate yearly maximum .....	3	3	2	3
Difference in cost between generic and brand name drugs <sup>1</sup> .....	5	4	7	3
Other .....	4	5	4	4

<sup>1</sup> These are plans where the individual participant is required to use a generic equivalent when available; if a generic equivalent is not chosen, the individual must pay the difference in total cost between the brand name and generic drug plus the cost to the individual. For example, if an individual is subject to a \$5 copayment for generic drugs and the brand name equivalent is purchased, the individual must pay the difference in total cost between the brand name and generic drug, plus the \$5 copayment.

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

**Table 75. Mental health care benefits: Relationship to other coverage,<sup>1</sup> full-time employees, medium and large private establishments, 1995**

Type of coverage	All employees	Professional, technical, and related employees	Clerical and sales employees	Blue-collar and service employees
	Percent			
<b>Inpatient<sup>2</sup></b>				
Total covered .....	100	100	100	100
Covered the same .....	18	22	12	17
Covered differently .....	82	78	88	83
<b>Outpatient<sup>3</sup></b>				
Total covered .....	100	100	100	100
Covered the same .....	2	3	3	2
Covered differently .....	98	97	97	98

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

<sup>2</sup> Excludes doctor's charges in the hospital.

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

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

**Table 76. Mental health care benefits: Limits on coverage full-time employees, medium and large private establishments, 1995**

Coverage limitation	All employees	Professional, technical, and related employees	Clerical and sales employees	Blue-collar and service employees
Number (in thousands) with mental health care benefits	24,764	7,251	5,968	11,545
Number (in thousands) with outpatient mental health care benefits .....	23,368	6,866	5,799	10,703
	Percent			
<b>Inpatient<sup>1</sup></b>				
Total with mental health care benefits .....	100	100	100	100
No separate limits <sup>2</sup> .....	19	23	14	20
Subject to separate limits <sup>3</sup>	81	77	86	80
Days .....	57	56	61	55
Dollars .....	42	37	42	44
Coinsurance .....	14	14	15	14
Copayment .....	7	7	10	5
Other .....	2	2	1	2
<b>Outpatient<sup>4</sup></b>				
Total with mental health care benefits .....	100	100	100	100
No separate limits <sup>2</sup> .....	4	3	4	3
Subject to separate limits <sup>3</sup>	96	97	96	97
Days .....	51	57	54	46
Dollars .....	59	55	57	62
Coinsurance .....	40	37	39	43
Copayment .....	28	30	34	24
Other .....	2	3	2	2

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

<sup>2</sup> These include plans covered without any limits; they also include plans subject to only the major medical limits of the plan.

<sup>3</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, 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>4</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.

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

**Table 77. Mental health care benefits: Limits on coverage in health maintenance organizations, full-time employees, medium and large private establishments, 1995**

Coverage limitation	All employees	Professional, technical, and related employees	Clerical and sales employees	Blue-collar and service employees
Number (in thousands) with mental health care benefits	6,543	2,356	1,873	2,313
Number (in thousands) with outpatient mental health care benefits .....	6,667	2,407	1,912	2,348
	Percent			
<b>Inpatient<sup>1</sup></b>				
Total with mental health care benefits .....	100	100	100	100
No separate limits <sup>2</sup> .....	11	16	8	8
Subject to separate limits <sup>3</sup>	89	84	92	92
Days .....	84	80	87	86
Dollars .....	10	10	12	10
Coinsurance .....	13	8	9	21
Copayment .....	15	15	18	13
Other .....	1	( <sup>4</sup> )	1	1
<b>Outpatient<sup>5</sup></b>				
Total with mental health care benefits .....	100	100	100	100
No separate limits <sup>2</sup> .....	2	1	4	2
Subject to separate limits <sup>3</sup>	98	99	96	98
Days .....	88	88	86	89
Dollars .....	16	17	16	14
Coinsurance .....	20	19	14	26
Copayment .....	56	57	63	49
Other .....	3	3	1	4

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

<sup>2</sup> These include plans covered without any limits; they also include plans subject to overall plan limits such as plan maximums.

<sup>3</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, 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>4</sup> Less than 0.5 percent.

<sup>5</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.

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

**Table 78. Mental health care benefits: Limits on coverage in non-health maintenance organizations, full-time employees, medium and large private establishments, 1995**

Coverage limitation	All employees	Professional, technical, and related employees	Clerical and sales employees	Blue-collar and service employees
Number (in thousands) with mental health care benefits	18,221	4,895	4,094	9,232
Number (in thousands) with outpatient mental health care benefits .....	16,701	4,460	3,887	8,355
	Percent			
<b>Inpatient<sup>1</sup></b>				
Total with mental health care benefits .....	100	100	100	100
No separate limits <sup>2</sup> .....	22	26	17	22
Subject to separate limits <sup>3</sup>	78	74	83	78
Days .....	47	45	50	47
Dollars .....	53	50	56	53
Coinsurance .....	15	16	18	13
Copayment .....	4	3	6	3
Other .....	2	2	2	2
<b>Outpatient<sup>4</sup></b>				
Total with mental health care benefits .....	100	100	100	100
No separate limits <sup>2</sup> .....	4	4	4	4
Subject to separate limits <sup>3</sup>	96	96	96	96
Days .....	36	40	38	34
Dollars .....	76	75	76	76
Coinsurance .....	48	47	51	47
Copayment .....	17	16	20	16
Other .....	2	3	2	2

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

<sup>2</sup> These include plans covered without any limits; they also include plans subject to only the major medical limits of the plan.

<sup>3</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, 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>4</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.

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

**Table 79. Alcohol and drug abuse: Relationship between provisions, full-time employees, medium and large private establishments, 1995**

Type of coverage	All employees	Professional, technical, and related employees	Clerical and sales employees	Blue-collar and service employees
Number (in thousands) with medical care .....	25,546	7,467	6,158	11,921
	Percent			
Total .....	100	100	100	100
Covered together <sup>1</sup> .....	76	77	76	76
Covered separately but with the same limits <sup>2</sup> .....	2	2	2	2
Other <sup>3</sup> .....	22	22	22	23

<sup>1</sup> These are plans where all limits that apply to alcohol abuse treatment also apply to drug abuse treatment. When care is received for one of these types of treatment, it reduces the availability of care from the other. For example, if alcohol and drug abuse are limited to 30 days per year and 20 days are used for alcohol abuse, then there are 10 days left for drug abuse.

<sup>2</sup> These are plans where alcohol and drug abuse are subject to separate and identical limits. For example, alcohol abuse treatment is limited to 30 days per year and drug abuse treatment is limited to a separate 30 days per year.

<sup>3</sup> Includes plans where alcoholism coverage differs from drug coverage; and where some limits for alcohol and drug abuse treatment are separate and identical and different limits reduce the availability of care from the other; and where there is no coverage for alcohol and drug abuse treatment.

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

**Table 80. Substance abuse treatment benefits: Relationship to other coverage,<sup>1</sup> full-time employees, medium and large private establishments, 1995**

Type of coverage	All employees	Professional, technical, and related employees	Clerical and sales employees	Blue-collar and service employees
	Percent			
<b>Alcohol abuse</b>				
Total with inpatient detoxification <sup>2</sup> .....	100	100	100	100
Covered the same .....	28	31	28	26
Covered differently .....	72	69	72	74
Total with inpatient rehabilitation <sup>3</sup> .....	100	100	100	100
Covered the same .....	6	8	6	6
Covered differently .....	94	92	94	94
Total with outpatient rehabilitation <sup>4</sup> .....	100	100	100	100
Covered the same .....	6	8	6	4
Covered differently .....	94	92	94	96
<b>Drug abuse</b>				
Total with inpatient detoxification <sup>2</sup> .....	100	100	100	100
Covered the same .....	28	31	29	26
Covered differently .....	72	69	71	74
Total with inpatient rehabilitation <sup>3</sup> .....	100	100	100	100
Covered the same .....	6	8	6	5
Covered differently .....	94	92	94	95
Total with outpatient rehabilitation <sup>4</sup> .....	100	100	100	100
Covered the same .....	6	8	6	4
Covered differently .....	94	92	94	96

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

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

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

<sup>4</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, the location offering the most beneficial coverage was tabulated.

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

**Table 81. Alcohol abuse treatment benefits: Limits on coverage, full-time employees, medium and large private establishments, 1995**

Coverage limitation	All employees	Professional, technical, and related employees	Clerical and sales employees	Blue-collar and service employees
Number (in thousands) with inpatient detoxification benefits .....	25,039	7,384	6,024	11,631
Number (in thousands) with inpatient rehabilitation benefits .....	19,579	5,760	4,659	9,160
Number (in thousands) with outpatient rehabilitation benefits .....	20,642	6,108	5,017	9,516
	Percent			
<b>Inpatient detoxification<sup>1</sup></b>				
Total with inpatient detoxification benefits .....	100	100	100	100
No separate limits <sup>2</sup> .....	29	31	30	28
Subject to separate limits <sup>3</sup>	71	69	70	72
Days .....	50	48	49	52
Dollars .....	36	33	36	39
Coinsurance .....	13	13	14	12
Copayment .....	5	6	6	4
Other .....	3	4	2	2
<b>Inpatient rehabilitation<sup>4</sup></b>				
Total with inpatient rehabilitation benefits .....	100	100	100	100
No separate limits <sup>2</sup> .....	8	9	7	8
Subject to separate limits <sup>3</sup>	92	91	93	92
Days .....	67	66	69	67
Dollars .....	45	42	46	46
Coinsurance .....	17	17	19	16
Copayment .....	6	7	8	5
Other .....	3	5	2	2

See footnotes at end of table.

**Table 81. Alcohol abuse treatment benefits: Limits on coverage, full-time employees, medium and large private establishments, 1995 — Continued**

Coverage limitation	All employees	Professional, technical, and related employees	Clerical and sales employees	Blue-collar and service employees
<b>Outpatient rehabilitation<sup>5</sup></b>				
Total with outpatient rehabilitation benefits .....	100	100	100	100
No separate limits <sup>2</sup> .....	7	10	8	5
Subject to separate limits <sup>3</sup>	93	90	92	95
Days .....	49	49	51	47
Dollars .....	53	50	54	55
Coinsurance .....	28	25	29	30
Copayment .....	22	23	25	20
Other .....	3	4	2	3

<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> These include plans covered without any limits; they also include plans subject to only the major medical limits of the plan.

<sup>3</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, the plan contains separate limits. The total is less than the sum of the individual items because many plans had more than one type of limitation.

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

<sup>5</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, the location offering the most beneficial coverage was tabulated.

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

**Table 82. Drug abuse treatment benefits: Limits on coverage, full-time employees, medium and large private establishments, 1995**

Coverage limitation	All employees	Professional, technical, and related employees	Clerical and sales employees	Blue-collar and service employees
Number (in thousands) with inpatient detoxification benefits .....	24,856	7,343	5,931	11,582
Number (in thousands) with inpatient rehabilitation benefits .....	19,433	5,718	4,649	9,066
Number (in thousands) with outpatient rehabilitation benefits .....	20,529	6,058	4,999	9,471
	Percent			
<b>Inpatient detoxification<sup>1</sup></b>				
Total with inpatient detoxification benefits .....	100	100	100	100
No separate limits <sup>2</sup> .....	30	32	30	28
Subject to separate limits <sup>3</sup>	70	68	70	72
Days .....	50	47	48	52
Dollars .....	36	33	36	38
Coinsurance .....	13	13	15	12
Copayment .....	5	6	6	4
Other .....	3	4	2	2
<b>Inpatient rehabilitation<sup>4</sup></b>				
Total with inpatient rehabilitation benefits .....	100	100	100	100
No separate limits <sup>2</sup> .....	8	9	8	7
Subject to separate limits <sup>3</sup>	92	91	92	93
Days .....	67	65	69	67
Dollars .....	45	42	46	46
Coinsurance .....	17	17	19	16
Copayment .....	6	7	8	5
Other .....	3	5	2	2

See footnotes at end of table.

**Table 82. Drug abuse treatment benefits: Limits on coverage, full-time employees, medium and large private establishments, 1995 — Continued**

Coverage limitation	All employees	Professional, technical, and related employees	Clerical and sales employees	Blue-collar and service employees
<b>Outpatient rehabilitation<sup>5</sup></b>				
Total with outpatient rehabilitation benefits .....	100	100	100	100
No separate limits <sup>2</sup> .....	7	10	8	5
Subject to separate limits <sup>3</sup>	93	90	92	95
Days .....	49	49	51	47
Dollars .....	53	50	54	55
Coinsurance .....	29	26	29	30
Copayment .....	22	23	25	20
Other .....	3	4	2	3

<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> These include plans covered without any limits; they also include plans subject to only the major medical limits of the plan.

<sup>3</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, the plan contains separate limits. The total is less than the sum of the individual items because many plans had more than one type of limitation.

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

<sup>5</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, the location offering the most beneficial coverage was tabulated.

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

**Table 83. Alcohol abuse treatment benefits: Limits on coverage in health maintenance organizations, full-time employees, medium and large private establishments, 1995**

Coverage limitation	All employees	Professional, technical, and related employees	Clerical and sales employees	Blue-collar and service employees
Number (in thousands) with inpatient detoxification benefits .....	6,961	2,483	1,982	2,496
Number (in thousands) with inpatient rehabilitation benefits .....	4,595	1,734	1,208	1,653
Number (in thousands) with outpatient rehabilitation benefits .....	5,623	2,078	1,533	2,012
	Percent			
<b>Inpatient detoxification<sup>1</sup></b>				
Total with inpatient detoxification benefits .....	100	100	100	100
No separate limits <sup>2</sup> .....	44	43	48	41
Subject to separate limits <sup>3</sup>	56	57	52	59
Days .....	44	44	42	45
Dollars .....	12	12	12	12
Coinsurance .....	10	5	9	16
Copayment .....	9	10	9	8
Other .....	2	3	1	3
<b>Inpatient rehabilitation<sup>4</sup></b>				
Total with inpatient rehabilitation benefits .....	100	100	100	100
No separate limits <sup>2</sup> .....	11	12	12	9
Subject to separate limits <sup>3</sup>	89	88	88	91
Days .....	76	73	79	77
Dollars .....	18	18	18	18
Coinsurance .....	17	10	15	26
Copayment .....	14	13	18	14
Other .....	4	4	2	4

See footnotes at end of table.

**Table 83. Alcohol abuse treatment benefits: Limits on coverage in health maintenance organizations, full-time employees, medium and large private establishments, 1995 — Continued**

Coverage limitation	All employees	Professional, technical, and related employees	Clerical and sales employees	Blue-collar and service employees
<b>Outpatient rehabilitation<sup>5</sup></b>				
Total with outpatient rehabilitation benefits .....	100	100	100	100
No separate limits <sup>2</sup> .....	14	18	16	9
Subject to separate limits <sup>3</sup>	86	82	84	91
Days .....	67	64	70	66
Dollars .....	19	21	18	18
Coinsurance .....	13	8	12	19
Copayment .....	36	35	40	35
Other .....	4	4	2	6

<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> These include plans covered without any limits; they also include plans subject to overall plan limits such as plan maximums.

<sup>3</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, the plan contains separate limits. The total is less than the sum of the individual items because many plans had more than one type of limitation.

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

<sup>5</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, the location offering the most beneficial coverage was tabulated.

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

**Table 84. Drug abuse treatment benefits: Limits on coverage in health maintenance organizations, full-time employees, medium and large private establishments, 1995**

Coverage limitation	All employees	Professional, technical, and related employees	Clerical and sales employees	Blue-collar and service employees
Number (in thousands) with inpatient detoxification benefits .....	6,866	2,464	1,908	2,494
Number (in thousands) with inpatient rehabilitation benefits .....	4,530	1,717	1,185	1,629
Number (in thousands) with outpatient rehabilitation benefits .....	5,588	2,070	1,523	1,994
	Percent			
<b>Inpatient detoxification<sup>1</sup></b>				
Total with inpatient detoxification benefits .....	100	100	100	100
No separate limits <sup>2</sup> .....	45	44	51	41
Subject to separate limits <sup>3</sup>	55	56	49	59
Days .....	43	44	40	45
Dollars .....	12	12	12	12
Coinsurance .....	10	5	9	16
Copayment .....	9	10	8	8
Other .....	2	3	1	3
<b>Inpatient rehabilitation<sup>4</sup></b>				
Total with inpatient rehabilitation benefits .....	100	100	100	100
No separate limits <sup>2</sup> .....	11	12	12	8
Subject to separate limits <sup>3</sup>	89	88	88	92
Days .....	77	73	81	78
Dollars .....	18	18	17	18
Coinsurance .....	17	10	15	26
Copayment .....	14	13	17	14
Other .....	4	4	2	4

See footnotes at end of table.

**Table 84. Drug abuse treatment benefits: Limits on coverage in health maintenance organizations, full-time employees, medium and large private establishments, 1995 — Continued**

Coverage limitation	All employees	Professional, technical, and related employees	Clerical and sales employees	Blue-collar and service employees
<b>Outpatient rehabilitation<sup>5</sup></b>				
Total with outpatient rehabilitation benefits .....	100	100	100	100
No separate limits <sup>2</sup> .....	14	18	16	9
Subject to separate limits <sup>3</sup>	86	82	84	91
Days .....	67	65	71	66
Dollars .....	19	21	18	18
Coinsurance .....	13	8	12	19
Copayment .....	36	35	40	35
Other .....	4	4	2	6

<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> These include plans covered without any limits; they also include plans subject to overall plan limits such as plan maximums.

<sup>3</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, the plan contains separate limits. The total is less than the sum of the individual items because many plans had more than one type of limitation.

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

<sup>5</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, the location offering the most beneficial coverage was tabulated.

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

**Table 85. Alcohol abuse treatment benefits: Limits on coverage in non-health maintenance organizations, full-time employees, medium and large private establishments, 1995**

Coverage limitation	All employees	Professional, technical, and related employees	Clerical and sales employees	Blue-collar and service employees
Number (in thousands) with inpatient detoxification benefits .....	18,078	4,900	4,042	9,135
Number (in thousands) with inpatient rehabilitation benefits .....	14,984	4,026	3,451	7,507
Number (in thousands) with outpatient rehabilitation benefits .....	15,018	4,030	3,484	7,504
	Percent			
<b>Inpatient detoxification<sup>1</sup></b>				
Total with inpatient detoxification benefits .....	100	100	100	100
No separate limits <sup>2</sup> .....	24	26	20	24
Subject to separate limits <sup>3</sup>	76	74	80	76
Days .....	52	49	53	54
Dollars .....	45	43	47	46
Coinsurance .....	14	17	17	11
Copayment .....	4	4	5	3
Other .....	3	5	2	2
<b>Inpatient rehabilitation<sup>4</sup></b>				
Total with inpatient rehabilitation benefits .....	100	100	100	100
No separate limits <sup>2</sup> .....	7	8	6	7
Subject to separate limits <sup>3</sup>	93	92	94	93
Days .....	64	63	65	64
Dollars .....	53	52	55	53
Coinsurance .....	17	20	20	14
Copayment .....	4	5	5	3
Other .....	3	5	2	2

See footnotes at end of table.

**Table 85. Alcohol abuse treatment benefits: Limits on coverage in non-health maintenance organizations, full-time employees, medium and large private establishments, 1995 — Continued**

Coverage limitation	All employees	Professional, technical, and related employees	Clerical and sales employees	Blue-collar and service employees
<b>Outpatient rehabilitation<sup>5</sup></b>				
Total with outpatient rehabilitation benefits .....	100	100	100	100
No separate limits <sup>2</sup> .....	5	6	5	4
Subject to separate limits <sup>3</sup>	95	94	95	96
Days .....	42	41	43	42
Dollars .....	66	65	70	65
Coinsurance .....	34	34	36	33
Copayment .....	17	16	19	16
Other .....	2	3	2	2

<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> These include plans covered without any limits; they also include plans subject to only the major medical limits of the plan.

<sup>3</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, the plan contains separate limits. The total is less than the sum of the individual items because many plans had more than one type of limitation.

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

<sup>5</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, the location offering the most beneficial coverage was tabulated.

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

**Table 86. Drug abuse treatment benefits: Limits on coverage in non-health maintenance organizations, full-time employees, medium and large private establishments, 1995**

Coverage limitation	All employees	Professional, technical, and related employees	Clerical and sales employees	Blue-collar and service employees
Number (in thousands) with inpatient detoxification benefits .....	17,990	4,879	4,022	9,088
Number (in thousands) with inpatient rehabilitation benefits .....	14,902	4,002	3,464	7,437
Number (in thousands) with outpatient rehabilitation benefits .....	14,941	3,988	3,476	7,477
	Percent			
<b>Inpatient detoxification<sup>1</sup></b>				
Total with inpatient detoxification benefits .....	100	100	100	100
No separate limits <sup>2</sup> .....	24	26	21	24
Subject to separate limits <sup>3</sup>	76	74	79	76
Days .....	52	49	52	54
Dollars .....	46	44	48	46
Coinsurance .....	14	18	17	11
Copayment .....	4	4	5	3
Other .....	3	5	2	2
<b>Inpatient rehabilitation<sup>4</sup></b>				
Total with inpatient rehabilitation benefits .....	100	100	100	100
No separate limits <sup>2</sup> .....	7	8	6	7
Subject to separate limits <sup>3</sup>	93	92	94	93
Days .....	64	62	64	64
Dollars .....	53	53	55	53
Coinsurance .....	17	20	20	14
Copayment .....	4	5	5	3
Other .....	3	5	2	2

See footnotes at end of table.

**Table 86. Drug abuse treatment benefits: Limits on coverage in non-health maintenance organizations, full-time employees, medium and large private establishments, 1995 — Continued**

Coverage limitation	All employees	Professional, technical, and related employees	Clerical and sales employees	Blue-collar and service employees
<b>Outpatient rehabilitation<sup>5</sup></b>				
Total with outpatient rehabilitation benefits .....	100	100	100	100
No separate limits <sup>2</sup> .....	4	5	5	4
Subject to separate limits <sup>3</sup>	96	95	95	96
Days .....	42	41	42	42
Dollars .....	66	65	70	64
Coinsurance .....	34	35	36	33
Copayment .....	17	16	19	16
Other .....	2	3	2	2

<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> These include plans covered without any limits; they also include plans subject to overall plan limits such as plan maximums.

<sup>3</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, the plan contains separate limits. The total is less than the sum of the individual items because many plans had more than one type of limitation.

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

<sup>5</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, the location offering the most beneficial coverage was tabulated.

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

**Table 87. Mental health care and substance abuse treatment benefits: Application to out-of-pocket expense provisions<sup>1</sup> in non-health maintenance organizations, full-time employees, medium and large private establishments, 1995**

Type of coverage	All employees	Professional, technical, and related employees	Clerical and sales employees	Blue-collar and service employees
	Percent			
<b>Inpatient mental health care</b>				
Total .....	100	100	100	100
Subject to out-of-pocket limits .....	65	72	59	64
Not subject to out-of-pocket limits .....	35	28	41	36
<b>Outpatient mental health care</b>				
Total .....	100	100	100	100
Subject to out-of-pocket limits .....	40	43	35	41
Not subject to out-of-pocket limits .....	60	57	65	59
<b>Inpatient alcohol detoxification</b>				
Total .....	100	100	100	100
Subject to out-of-pocket limits .....	68	73	64	67
Not subject to out-of-pocket limits .....	32	27	36	33
<b>Inpatient alcohol rehabilitation</b>				
Total .....	100	100	100	100
Subject to out-of-pocket limit .....	60	63	57	59
Not subject to out-of-pocket limits .....	40	37	43	41
<b>Outpatient alcohol rehabilitation</b>				
Total .....	100	100	100	100
Subject to out-of-pocket limits .....	46	44	44	49
Not subject to out-of-pocket limits .....	54	56	56	51

See footnotes at end of table.

**Table 87. Mental health care and substance abuse treatment benefits: Application to out-of-pocket expense provisions<sup>1</sup> in non-health maintenance organizations, full-time employees, medium and large private establishments, 1995 — Continued**

Type of coverage	All employees	Professional, technical, and related employees	Clerical and sales employees	Blue-collar and service employees
	Percent			
<b>Inpatient drug detoxification</b>				
Total .....	100	100	100	100
Subject to out-of-pocket limits .....	68	73	63	68
Not subject to out-of-pocket limits .....	32	27	37	32
<b>Inpatient drug rehabilitation</b>				
Total .....	100	100	100	100
Subject to out-of-pocket limits .....	60	63	57	60
Not subject to out-of-pocket limits .....	40	37	43	40
<b>Outpatient drug rehabilitation</b>				
Total .....	100	100	100	100
Subject to out-of-pocket limits .....	47	44	44	49
Not subject to out-of-pocket limits .....	53	56	56	51

<sup>1</sup> Each total relates to a plan's overall out-of-pocket limits. In addition, the specified inpatient benefit and hospital room and board must be subject to the plan's overall limits while the specified outpatient benefit and office physician's care must be subject to the plan's overall benefits. For example, the total for inpatient mental health care includes the following: there is a plan out-of-pocket limit, and both inpatient mental health care and hospital room and board are subject to the plan's overall limits.

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

**Table 88. Medical care plans: Eligibility requirements, full-time employees, medium and large private establishments, 1995**

Eligibility requirement	All employees	Professional, technical, and related employees	Clerical and sales employees	Blue-collar and service employees
Number (in thousands) with medical care .....	25,546	7,467	6,158	11,921
	Percent			
Total .....	100	100	100	100
With a service requirement ...	64	51	67	71
1 month .....	21	24	22	19
2 months .....	6	4	5	8
3 months .....	26	17	31	28
4 -5 months .....	1	1	1	2
6 months .....	6	4	6	6
7 - 11 months .....	3	1	( <sup>1</sup> )	6
12 months .....	1	1	( <sup>1</sup> )	1
Greater than 12 months ....	( <sup>1</sup> )	-	( <sup>1</sup> )	( <sup>1</sup> )
Without a service requirement .....	31	46	29	23
Not determinable <sup>2</sup> .....	5	3	5	6

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

<sup>2</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.

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

**Table 89. Non-health maintenance organizations: Pre-existing condition provisions,<sup>1</sup> full-time employees, medium and large private establishments, 1995**

Funding and administration	All employees	Professional, technical, and related employees	Clerical and sales employees	Blue-collar and service employees
Number (in thousands) in non-HMO plans .....	18,558	4,968	4,170	9,419
	Percent			
Total with non-HMO plans .....	100	100	100	100
Pre-existing condition clause	54	50	57	55
No pre-existing condition clause .....	46	50	43	45

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

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

**Table 90. Medical care benefits: Effect of retirement on coverage,<sup>1</sup> full-time employees, medium and large private establishments, 1995**

Retiree coverage	All employees	Professional, technical, and related employees	Clerical and sales employees	Blue-collar and service employees
Number (in thousands) with medical care .....	25,546	7,467	6,158	11,921
	Percent			
Total with medical care .....	100	100	100	100
<b>Under Age 65</b>				
With retiree coverage .....	46	50	50	41
Employer paid .....	9	9	8	10
Retiree paid .....	7	9	7	6
Both retiree and employer paid .....	25	28	29	22
Payment available, but unknown .....	4	5	6	3
Without retiree coverage .....	45	41	42	50
Not determinable .....	9	9	8	10
<b>Age 65 and over</b>				
With retiree coverage .....	41	44	45	37
Employer paid .....	9	9	8	9
Retiree paid .....	6	6	6	6
Both retiree and employer paid .....	22	24	26	19
Payment available, but unknown .....	4	5	5	3
Without retiree coverage .....	50	47	46	53
Not determinable .....	9	9	8	10

<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.

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

**Table 91. Dental care benefits: Eligibility requirements, full-time employees, medium and large private establishments, 1994**

Eligibility requirement	All employees	Professional, technical, and related employees	Clerical and sales employees	Blue-collar and service employees
Number (in thousands) with dental care .....	18,866	6,217	4,603	8,046
	Percent			
Total with dental care .....	100	100	100	100
With a service requirement ...	64	52	67	71
1 month .....	19	20	19	18
2 months .....	5	3	4	8
3 months .....	24	16	32	24
4 -5 months .....	2	1	1	3
6 months .....	6	6	7	6
7 - 11 months .....	5	2	1	9
12 months .....	3	3	3	2
Greater than 12 months ....	( <sup>1</sup> )	-	( <sup>1</sup> )	( <sup>1</sup> )
Without a service requirement .....	32	46	29	23
Not determinable <sup>2</sup> .....	4	2	3	5

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

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

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

**Table 92. Dental care benefits: Fee arrangement and financial intermediary, full-time employees, medium and large private establishments, 1995**

Fee arrangement	All employees	Professional, technical, and related employees	Clerical and sales employees	Blue-collar and service employees
Number (in thousands) with dental care .....	18,866	6,217	4,603	8,046
	Percent			
Total with dental care .....	100	100	100	100
Traditional fee-for-service <sup>1</sup> ...	85	82	84	87
Self insured <sup>2</sup> .....	52	47	56	53
Commercial insurance company .....	15	11	14	18
Blue Cross/Blue Shield .....	5	6	4	5
Independent organization <sup>3</sup> .....	4	4	2	5
Combined financed <sup>4</sup> .....	( <sup>5</sup> )	( <sup>5</sup> )	( <sup>5</sup> )	( <sup>5</sup> )
Dental society <sup>6</sup> .....	9	13	8	5
Preferred provider organization <sup>7</sup> .....	6	10	6	4
Self insured <sup>2</sup> .....	2	2	4	2
Commercial insurance company .....	1	1	1	( <sup>5</sup> )
Blue Cross/Blue Shield .....	1	2	( <sup>5</sup> )	1
Independent organization <sup>3</sup> .....	1	1	( <sup>5</sup> )	( <sup>5</sup> )
Dental society <sup>6</sup> .....	1	2	1	( <sup>5</sup> )

See footnotes at end of table.

**Table 92. Dental care benefits: Fee arrangement and financial intermediary, full-time employees, medium and large private establishments, 1995 — Continued**

Fee arrangement	All employees	Professional, technical, and related employees	Clerical and sales employees	Blue-collar and service employees
Total with dental care				
Health maintenance organization <sup>8</sup> .....	8	8	10	7
Self insured <sup>2</sup> .....	( 5 )	1	( 5 )	( 5 )
Commercial insurance company .....	2	2	3	2
Blue Cross/Blue Shield .....	1	1	1	1
Independent organization <sup>3</sup> .....	4	3	4	4
Dental society <sup>6</sup> .....	1	1	2	1
Other <sup>9</sup> .....	1	1	( 5 )	2

<sup>1</sup> These plans pay for specific dental procedures as expenses are incurred.

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

<sup>4</sup> These are plans where the financing comes from two different kinds of financial intermediaries. For example, an establishment contracts with Blue Cross/Blue Shield to pay part of the benefits and a commercial company to pay the other benefits.

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

<sup>6</sup> Organizations of providers other than Blue Cross/Blue Shield.

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

<sup>8</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>9</sup> Includes exclusive provider organizations, which are groups of hospitals and dentists that contract to provide comprehensive dental services. Participants are required to obtain services from members of the organization in order to receive plan benefits.

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

**Table 93. Dental care benefits: Coverage for selected procedures, full-time employees, medium and large private establishments, 1995**

Extent of coverage	Type of dental procedure								
	Exams	X-rays	Surgery <sup>1</sup>	Fillings	Periodon- tal care	Endodon- tics	Crowns	Prosthet- ics	Ortho- dontia <sup>2</sup>
Number (in thousands) with dental care .....	18,866	18,866	18,866	18,866	18,866	18,866	18,866	18,866	18,866
Professional, technical, and related employees .....	6,217	6,217	6,217	6,217	6,217	6,217	6,217	6,217	6,217
Clerical and sales employees	4,603	4,603	4,603	4,603	4,603	4,603	4,603	4,603	4,603
Blue-collar and service employees .....	8,046	8,046	8,046	8,046	8,046	8,046	8,046	8,046	8,046
	Percent								
<b>All employees</b>									
Total .....	100	100	100	100	100	100	100	100	100
Covered <sup>3</sup> .....	100	100	99	100	97	99	96	96	71
In full <sup>4</sup> .....	14	14	5	8	4	4	3	2	1
Scheduled cash allowance	6	6	8	8	7	7	8	8	4
Subject to copayment <sup>5</sup> .....	2	1	5	3	5	6	6	6	8
Percent of usual, customary and reasonable charge .....	77	78	80	80	79	80	80	80	60
Other <sup>6</sup> .....	2	3	3	3	3	3	2	2	1
Not covered .....	( <sup>7</sup> )	( <sup>7</sup> )	1	( <sup>7</sup> )	2	1	4	4	27
Not determinable .....	-	-	( <sup>7</sup> )	( <sup>7</sup> )	1	( <sup>7</sup> )	( <sup>7</sup> )	1	2
<b>Professional, technical, and related</b>									
Total .....	100	100	100	100	100	100	100	100	100
Covered <sup>3</sup> .....	100	100	99	100	97	98	96	95	73
In full <sup>4</sup> .....	13	13	5	7	4	4	2	2	( <sup>7</sup> )
Scheduled cash allowance	4	4	7	6	6	6	6	6	4
Subject to copayment <sup>5</sup> .....	1	( <sup>7</sup> )	4	2	4	4	6	5	11
Percent of usual, customary and reasonable charge .....	78	78	79	80	78	79	81	81	63
Other <sup>6</sup> .....	4	4	5	5	5	5	2	2	2
Not covered .....	( <sup>7</sup> )	( <sup>7</sup> )	1	( <sup>7</sup> )	2	1	4	4	25
Not determinable .....	-	-	( <sup>7</sup> )	0	1	( <sup>7</sup> )	( <sup>7</sup> )	( <sup>7</sup> )	2

See footnotes at end of table.

**Table 93. Dental care benefits: Coverage for selected procedures, full-time employees, medium and large private establishments, 1995 — Continued**

Extent of coverage	Type of dental procedure								
	Exams	X-rays	Surgery <sup>1</sup>	Fillings	Periodontal care	Endodontics	Crowns	Prosthetics	Orthodontia <sup>2</sup>
	Percent								
<b>Clerical and sales</b>									
Total .....	100	100	100	100	100	100	100	100	100
Covered <sup>3</sup> .....	100	100	99	100	97	99	97	95	67
In full <sup>4</sup> .....	12	13	5	7	4	4	1	1	( <sup>7</sup> )
Scheduled cash allowance	7	6	9	9	9	8	8	8	4
Subject to copayment <sup>5</sup> .....	1	( <sup>7</sup> )	5	3	6	7	7	6	8
Percent of usual, customary and reasonable charge .....	78	79	80	79	78	79	80	79	56
Other <sup>6</sup> .....	2	2	3	3	3	3	2	2	1
Not covered .....	( <sup>7</sup> )	( <sup>7</sup> )	( <sup>7</sup> )	( <sup>7</sup> )	1	( <sup>7</sup> )	3	3	31
Not determinable .....	—	—	( <sup>7</sup> )	( <sup>7</sup> )	1	( <sup>7</sup> )	( <sup>7</sup> )	1	2
<b>Blue-collar and service</b>									
Total .....	100	100	100	100	100	100	100	100	100
Covered <sup>3</sup> .....	100	100	99	99	97	98	96	96	72
In full <sup>4</sup> .....	15	15	6	9	5	4	4	4	2
Scheduled cash allowance	7	7	8	8	7	7	8	8	4
Subject to copayment <sup>5</sup> .....	2	1	5	3	6	6	6	6	7
Percent of usual, customary and reasonable charge .....	75	78	81	81	81	82	79	79	61
Other <sup>6</sup> .....	1	1	1	1	1	1	1	1	1
Not covered .....	( <sup>7</sup> )	( <sup>7</sup> )	( <sup>7</sup> )	( <sup>7</sup> )	2	1	4	4	27
Not determinable .....	—	—	( <sup>7</sup> )	( <sup>7</sup> )	1	( <sup>7</sup> )	( <sup>7</sup> )	( <sup>7</sup> )	2

<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> Sum of individual items is greater than total because some participants were in plans with more than one limit.

<sup>4</sup> Includes plans that paid the full cost with no deductible or maximum dollar amount.

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

<sup>7</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 94. Dental care benefits: Percent of charges paid by plan for selected procedures, full-time employees, medium and large private establishments, 1995**

Percent of usual, customary, and reasonable charge	Type of dental procedure								
	Exams	X-rays	Surgery <sup>1</sup>	Fillings	Periodontal care	Endodontics	Crowns	Prosthetics	Orthodontia
Number of employees (in thousands) in dental plans with coverage based on a percentage of charges .....	14,470	14,804	15,027	15,020	14,879	15,062	15,016	14,966	11,248
Professional, technical, and related employees .....	4,847	4,877	4,913	4,955	4,854	4,892	5,025	5,021	3,892
Clerical and sales employees	3,599	3,653	3,643	3,631	3,570	3,632	3,657	3,618	2,586
Blue-collar and service employees .....	6,024	6,274	6,472	6,434	6,455	6,538	6,333	6,327	4,770
	Percent								
<b>All employees</b>									
Total with dental care based on a percentage of charges .....	100	100	100	100	100	100	100	100	100
Less than 50 .....	-	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	1	1	( <sup>2</sup> )
50 .....	( <sup>2</sup> )	1	6	7	11	8	69	75	80
51-59 .....	-	-	-	-	-	-	-	( <sup>2</sup> )	-
60 .....	1	1	3	2	3	2	10	10	6
61-74 .....	( <sup>2</sup> )	( <sup>2</sup> )	3	3	3	3	2	2	1
75 .....	1	1	6	6	6	6	3	3	1
80 .....	21	23	65	67	65	67	9	6	8
85 .....	( <sup>2</sup> )	1	3	3	3	3	( <sup>2</sup> )	( <sup>2</sup> )	-
90 .....	5	7	7	6	6	6	4	1	( <sup>2</sup> )
91-99 .....	-	-	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	-	-	( <sup>2</sup> )
100 <sup>3</sup> .....	71	64	8	8	4	6	2	1	3
Not determinable .....	( <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>Professional, technical, and related</b>									
Total with dental care based on a percentage of charges .....	100	100	100	100	100	100	100	100	100
Less than 50 .....	-	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	1	1	1
50 .....	( <sup>2</sup> )	( <sup>2</sup> )	6	8	11	8	69	75	82
51-59 .....	-	-	-	-	-	-	-	1	-
60 .....	1	1	2	2	3	3	10	10	6
61-74 .....	( <sup>2</sup> )	( <sup>2</sup> )	2	2	2	2	2	2	-
75 .....	1	1	5	4	5	5	4	3	1
80 .....	18	19	66	70	70	71	11	7	8
85 .....	( <sup>2</sup> )	( <sup>2</sup> )	2	2	2	2	( <sup>2</sup> )	( <sup>2</sup> )	-
90 .....	6	7	6	4	4	4	2	( <sup>2</sup> )	-
91-99 .....	-	-	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	-	-	( <sup>2</sup> )
100 <sup>3</sup> .....	73	70	9	8	3	5	1	1	2
Not determinable .....	( <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> )

See footnotes at end of table.

**Table 94. Dental care benefits: Percent of charges paid by plan for selected procedures, full-time employees, medium and large private establishments, 1995 — Continued**

Percent of usual, customary, and reasonable charge	Type of dental procedure								
	Exams	X-rays	Surgery <sup>1</sup>	Fillings	Periodontal care	Endodontics	Crowns	Prosthetics	Orthodontia
	Percent								
<b>Clerical and sales</b>									
Total with dental care based on a percentage of charges .....	100	100	100	100	100	100	100	100	100
Less than 50 .....	-	-	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	1	1	( <sup>2</sup> )
50 .....	( <sup>2</sup> )	1	6	6	10	8	66	69	78
51-59 .....	-	-	-	-	-	-	-	( <sup>2</sup> )	-
60 .....	1	1	2	1	2	2	12	13	6
61-74 .....	1	1	4	4	4	4	3	3	2
75 .....	1	1	5	5	5	5	4	3	2
80 .....	19	21	70	73	69	71	10	8	6
85 .....	( <sup>2</sup> )	1	2	2	2	2	( <sup>2</sup> )	1	-
90 .....	4	5	4	4	4	4	2	( <sup>2</sup> )	1
91-99 .....	-	-	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	-	-	-
100 <sup>3</sup> .....	73	70	7	6	3	5	1	1	4
Not determinable .....	( <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 with dental care based on a percentage of charges .....	100	100	100	100	100	100	100	100	100
Less than 50 .....	-	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	1	1	( <sup>2</sup> )
50 .....	( <sup>2</sup> )	1	6	7	10	8	70	79	80
51-59 .....	-	-	-	-	-	-	-	( <sup>2</sup> )	-
60 .....	1	1	3	2	4	2	8	9	6
61-74 .....	( <sup>2</sup> )	( <sup>2</sup> )	3	3	3	2	1	1	-
75 .....	2	1	7	7	7	7	3	2	1
80 .....	24	27	61	62	60	61	8	5	10
85 .....	( <sup>2</sup> )	3	4	4	4	4	( <sup>2</sup> )	( <sup>2</sup> )	-
90 .....	4	9	8	8	8	8	6	2	1
91-99 .....	-	-	-	-	-	-	-	-	( <sup>2</sup> )
100 <sup>3</sup> .....	68	57	9	8	4	7	2	2	2
Not determinable .....	( <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>1</sup> Excludes plans that limited coverage to accidental injuries, removal of impacted wisdom teeth, or repair of jaw.

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

<sup>3</sup> Includes plans that paid 100 percent of charges, but imposed a

deductible and limited payment to a maximum dollar amount.

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

**Table 95. Dental care benefits: Amount of individual deductible,<sup>1</sup> full-time employees, medium and large private establishments, 1995**

Type of deductible	All employees	Professional, technical, and related employees	Clerical and sales employees	Blue-collar and service employees
Number (in thousands) with dental care				
Total with dental care .....	18,866	6,217	4,603	8,046
	Percent			
Total with dental care .....	100	100	100	100
Subject to separate dental deductible <sup>2</sup> .....	66	67	71	62
Yearly deductible only ..	61	61	67	58
Under \$25 .....	1	1	( <sup>3</sup> )	1
\$25 .....	15	15	12	16
\$26-\$49 .....	1	1	1	1
\$50 .....	40	41	46	36
\$51-\$99 .....	3	2	5	3
\$100 .....	2	1	3	1
Over \$100 .....	( <sup>3</sup> )	( <sup>3</sup> )	( <sup>3</sup> )	( <sup>3</sup> )
Lifetime deductible only	1	2	2	1
Less than \$50 .....	( <sup>3</sup> )	( <sup>3</sup> )	( <sup>3</sup> )	( <sup>3</sup> )
\$50 .....	1	2	1	1
Over \$50 .....	( <sup>3</sup> )	( <sup>3</sup> )	( <sup>3</sup> )	-
Both yearly and lifetime deductibles .....	3	4	2	3
No deductible .....	33	32	28	37
Not determinable .....	1	1	1	2
	Average <sup>4</sup>			
Average employee yearly deductible .....	\$46	\$45	\$49	\$45
Average employee lifetime deductible .....	46	38	57	48

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

<sup>2</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>3</sup> Less than 0.5 percent.

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

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

**Table 96. Dental care benefits: Relationship of yearly family deductibles to yearly individual deductibles, full-time employees, medium and large private establishments, 1995**

Relationship	All employees	Professional, technical, and related employees	Clerical and sales employees	Blue-collar and service employees
Number (in thousands) with dental care .....	18,866	6,217	4,603	8,046
	Percent			
Total with dental care .....	100	100	100	100
With individual and family deductible .....	43	48	50	36
Family deductible relates to individual deductible:				
Equal to individual deductible .....	( <sup>1</sup> )	( <sup>1</sup> )	1	( <sup>1</sup> )
2 times individual deductible .....	13	16	12	11
3 times individual deductible .....	29	31	36	24
Other <sup>2</sup> .....	( <sup>1</sup> )	( <sup>1</sup> )	1	( <sup>1</sup> )
Without individual and family deductible .....	57	52	50	64

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

<sup>2</sup> Includes plans where family deductible is not an even multiple of individual coverage.

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

**Table 97. Dental care benefits: Services covered by deductible<sup>1</sup> provisions, full-time employees, medium and large private establishments, 1995**

Categories of care	All employees	Professional, technical, and related employees	Clerical and sales employees	Blue-collar and service employees
Number of employees (in thousands) with a dental deductible .....	12,138	4,047	3,195	4,896
	Percent			
Total with a dental deductible .....	100	100	100	100
All categories <sup>2</sup> .....	20	18	21	20
All except exams and x-rays .....	46	48	47	42
All except exams, x-rays, and orthodontia .....	24	24	25	25
All except orthodontia .....	3	4	3	4
All except exams and orthodontia .....	1	1	( <sup>3</sup> )	2
Other <sup>4</sup> .....	6	5	5	7

<sup>1</sup> Includes plans with both a yearly deductible only, and a yearly and lifetime deductible.

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

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

<sup>4</sup> Includes other category combinations.

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

**Table 98. Dental care benefits: Maximum benefit provisions,<sup>1</sup> full-time employees, medium and large private establishments, 1995**

Dollar amount <sup>2</sup>	All employees	Professional, technical, and related employees	Clerical and sales employees	Blue-collar and service employees
Number (in thousands) with dental care .....	18,866	6,217	4,603	8,046
	Percent			
Total with dental care .....	100	100	100	100
Yearly maximum specified <sup>3</sup> .....	82	83	82	81
Less than \$500 .....	1	1	( <sup>4</sup> )	1
\$500 .....	2	2	3	3
\$501-\$749 .....	1	( <sup>4</sup> )	( <sup>4</sup> )	1
\$750 .....	7	6	9	6
\$751-\$999 .....	1	( <sup>4</sup> )	1	1
\$1,000 .....	40	38	39	42
\$1,001-\$1,499 .....	10	8	9	12
\$1,500 .....	12	14	14	10
\$1,501-\$1999 .....	3	4	1	2
\$2,000 .....	4	7	4	3
Greater than \$2,000 .....	1	2	1	2
No yearly maximum .....	17	16	17	17
Maximum provision not determinable .....	1	1	1	2
	Average <sup>5</sup>			
Average yearly maximum .....	\$1,166	\$1,218	\$1,141	\$1,139

<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.

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

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

**Table 99. Orthodontic care benefits: Maximum benefit provisions, full-time employees, medium and large private establishments, 1995**

Dollar amount <sup>1</sup>	All employees	Professional, technical, and related employees	Clerical and sales employees	Blue-collar and service employees
Number (in thousands) with orthodontic care .....	13,749	4,692	3,163	5,894
	Percent			
Total with orthodontic care	100	100	100	100
Lifetime maximum specified ....	83	82	83	83
Less than \$500 .....	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )
\$500 .....	7	9	5	7
\$501-\$749 .....	1	2	2	1
\$750 .....	8	8	16	5
\$751-\$999 .....	1	1	( <sup>2</sup> )	1
\$1,000 .....	31	27	32	35
\$1,001-\$1,499 .....	11	10	7	15
\$1,500 .....	16	20	13	14
Greater than \$1,500 .....	6	6	8	5
Dollar amount unspecified ....	( <sup>2</sup> )	( <sup>2</sup> )	1	( <sup>2</sup> )
No lifetime maximum .....	15	15	14	14
Provision not determinable .....	3	3	3	2
	Average <sup>3</sup>			
Average lifetime maximum .....	\$1,138	\$1,144	\$1,128	\$1,139

<sup>1</sup> Coverage for orthodontia procedure 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.

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

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

**Table 100. Dental care benefits: Pretreatment authorization provisions full-time employees, medium and large private establishments, 1995**

Item	All employees	Professional, technical, and related employees	Clerical and sales employees	Blue-collar and service employees
Number (in thousands) with dental care .....	18,866	6,217	4,603	8,046
	Percent			
Total with dental care .....	100	100	100	100
Preauthorization required .....	49	45	52	50
Minimum expense requiring preauthorization:				
\$100 .....	8	6	6	10
\$101-\$199 .....	5	4	6	5
\$200 .....	13	14	11	12
Greater than \$200 .....	18	15	23	19
Dollar amount not determinable .....	5	6	6	4
Preauthorization not required ...	47	51	45	45
Data not determinable .....	4	4	3	5
	Average <sup>1</sup>			
Average minimum expense requiring preauthorization ...	\$225	\$219	\$235	\$224

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

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

**Table 101. Vision care benefits: Coverage for selected services, full-time employees, medium and large private establishments, 1995**

Type of vision benefit	Total	Covered <sup>1</sup>	Covered in full	Sched-uled allowance	Copay-ment	Other <sup>2</sup>	Not covered	Not deter-minable
	Percent							
<b>All employees</b>								
Eye exam .....	100	95	18	38	34	15	4	1
Contact lenses <sup>3</sup> .....	100	94	5	67	19	17	5	1
Eyeglasses .....	100	100	10	53	25	17	—	( <sup>4</sup> )
<b>Professional, technical, and related participants</b>								
Eye exam .....	100	95	20	35	35	12	5	( <sup>4</sup> )
Contact lenses <sup>3</sup> .....	100	95	5	65	16	18	4	1
Eyeglasses .....	100	100	12	51	24	19	—	( <sup>4</sup> )
<b>Clerical and sales participants</b>								
Eye exam .....	100	95	17	37	34	16	4	1
Contact lenses <sup>3</sup> .....	100	96	4	70	16	22	3	1
Eyeglasses .....	100	100	11	54	22	22	—	( <sup>4</sup> )
<b>Blue-collar and service participants</b>								
Eye exam .....	100	96	16	41	34	17	3	1
Contact lenses <sup>3</sup> .....	100	93	5	67	22	13	6	1
Eyeglasses .....	100	99	9	54	28	14	—	1

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

<sup>2</sup> Includes plans subject to coinsurance and retail discount.

<sup>3</sup> Includes plans where coverage is for elected contact lenses; medically necessary contact lenses, i.e., cataract surgery, is normally provided under the surgical portion of the medical plan

and is not described in this table.

<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.

## Chapter 5. Life Insurance

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Life insurance is provided to a large majority of full-time employees in medium and large private establishments (tables 102-112). More than half of all full-time employees with life insurance are covered by formulas based on earnings, such as multiple-of-earnings formulas, which usually provide basic insurance of one or two times annual salary. Flat dollar amounts, often \$5,000 to \$25,000, cover many of the remaining life insurance plan participants.

Employers, in most cases, pay the entire cost of basic life insurance. When employee contributions are required, it is frequently because life insurance benefits are being offered as part of a cafeteria plan or reimbursement account. (For definitions, see chapter 8.) These plans allow workers to choose from various benefit options depending on their needs. In such cases, employees may have to contribute, often in the form of pretax dollars, to obtain the benefit package they desire. Another form of employee contribution is a specified monthly flat dollar amount per \$1,000 of coverage, such as 20 cents per \$1,000.

### Types and amounts of benefit formulas

Basic coverage for full-time life insurance participants is often linked to their earnings. This link enables the level of protection to increase automatically with a rise in pay. The most common method of tying life insurance protection to earnings is to multiply the employee's annual earnings by a factor of one or two and round the product to the next higher \$1,000. For example, an employee earning \$22,700 would receive \$46,000 of coverage under a plan providing two times earnings ( $\$22,700 \times 2 = \$45,400$ , which rounds up to \$46,000). Participants covered by these plans may have a limit placed on the amount of coverage available. Such maximums usually range between \$50,000 and \$500,000.

A flat dollar amount of insurance, regardless of earnings, is the other prevalent means of providing life insurance protection. Insurance amounts ranging from \$5,000 to \$25,000 are quite common in such plans. Blue-collar and service workers are much more likely to receive this type of benefit than professional, technical, and related workers or clerical and sales workers. However, when provided, the average flat-dollar amount of life insurance coverage participation is usually highest for professional, technical, and related workers.

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

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

### Coverage for retirees

Basic life insurance coverage continues after retirement for many full-time participants in medium and large private establishments. This coverage almost always continues for the rest of the retiree's life, but the amount of the benefit is usually reduced at least once during retirement.<sup>18</sup>

### Related protection

Additional life insurance, supplementing basic coverage, is often available. The typical supplemental plan provides term life insurance in multiples of the employees' annual pay. Life insurance coverage for dependents is also widely available to participants. Dependent coverage is often a flat dollar benefit; for example, \$5,000 for a spouse and \$2,000 for a child. Workers with this coverage often must pay the entire premium, but usually at group rates.

### Service requirements

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

### Accidental death and dismemberment

Accidental death and dismemberment (AD&D) insurance is available to the majority of full-time employees in medium and large private establishments. This insurance provides additional benefits if a worker dies or loses an eye or a limb in an accident. The AD&D benefit commonly equals the basic life insurance benefit for accidental death, and a portion of that benefit for dismemberment.<sup>19</sup>

### Survivor income benefits

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

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continue until a specific event occurs, such as the surviving spouse remarries or reaches age 65, or surviving children reach a given age.

### —ENDNOTES—

<sup>18</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>19</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.

**Table 102. Life insurance: Summary of provisions, full-time employees, medium and large private establishments, 1995**

Item	All employees	Professional, technical, and related employees	Clerical and sales employees	Blue-collar and service employees
Number (in thousands) with basic life insurance .....	29,078	8,721	7,227	13,130
	Percent			
Total with basic life insurance ...	100	100	100	100
Multiple of earnings benefit ...	57	74	72	36
Dollar amount benefit .....	43	25	27	63
Retiree coverage available ...	37	39	40	34
Supplemental coverage available .....	59	71	67	47
Dependent coverage available .....	52	57	61	44
Required employee contribution .....	13	13	16	11

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

**Table 103. Life insurance: Method of determining basic coverage, full-time employees, medium and large private establishments, 1995**

Type	All employees	Professional, technical, and related employees	Clerical and sales employees	Blue-collar and service employees
Number (in thousands) with basic life insurance .....	29,078	8,721	7,227	13,130
	Percent			
Total with basic life insurance ...	100	100	100	100
Multiple of earnings benefit	57	74	72	36
Fixed multiple of earnings <sup>2</sup> .....	56	74	72	36
Multiple varies by earnings .....	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )
Multiple varies by service .....	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )
Dollar amount benefit .....	43	25	27	63
Flat dollar amount .....	38	23	24	55
Dollar amount varies by earnings .....	4	2	2	6
Dollar amount varies by service .....	1	( <sup>1</sup> )	1	2
Other .....	1	1	( <sup>1</sup> )	1

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

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

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

**Table 104. Life insurance: Flat dollar benefit amounts, full-time employees, medium and large private establishments, 1995**

Amount of insurance	All employees	Professional, technical, and related employees	Clerical and sales employees	Blue-collar and service employees
Number (in thousands) with dollar amount of basic life insurance .....	12,375	2,200	1,958	8,217
	Percent			
Total with dollar amount of basic life insurance .....	100	100	100	100
Flat dollar amount .....	89	90	90	88
Less than \$5,000 .....	4	1	2	5
\$5,000 - \$9,999 .....	17	10	19	19
\$10,000 - \$14,999 .....	27	34	32	23
\$15,000 - \$19,999 .....	13	7	10	15
\$20,000 - \$24,999 .....	14	8	12	17
\$25,000 - \$29,999 .....	5	11	4	3
\$30,000 - \$49,999 .....	4	2	6	4
\$50,000 - \$99,999 .....	5	13	5	2
\$100,000 and over .....	1	5	1	1
Dollar amount varies by earnings .....	9	10	7	9
Dollar amount varies by service .....	2	( <sup>1</sup> )	3	2
	Average <sup>2</sup>			
Average flat dollar amount of basic life insurance .....	22281	42766	22792	16560

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

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

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

**Table 105. Life insurance: Multiple of earnings benefit amounts, full-time employees, medium and large private establishments, 1995**

Formula	All employees	Professional, technical, and related employees	Clerical and sales employees	Blue-collar and service employees
Number (in thousands) with multiple of earnings basic life insurance .....	16,430	6,474	5,237	4,719
	Percent			
Total with multiple of earnings formula .....	100	100	100	100
Flat multiple-of-earnings <sup>1</sup>	99	100	99	99
Less than 1.0 .....	4	3	5	3
1.0 .....	55	49	58	61
1.1 - 1.9 .....	13	14	11	13
2.0 .....	20	22	20	16
2.1 - 2.9 .....	4	6	3	2
3.0 .....	3	3	2	3
Greater than 3.0 .....	1	1	1	1
Multiple varies by earnings	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )
Multiple varies by service	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )
	Average <sup>3</sup>			
Average flat multiple of earnings formula .....	1.4	1.5	1.4	1.4

<sup>1</sup> Includes participants in plans in which insurance equaled a multiple of earnings, plus or minus a specified amount.

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

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

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

**Table 106. Life insurance: Maximum benefits placed on multiple of earnings formulas, full-time employees, medium and large private establishments, 1995**

Maximum	All employees	Professional, technical, and related employees	Clerical and sales employees	Blue-collar and service employees
Number (in thousands) with multiple of earnings formula	16,430	6,474	5,237	4,719
	Percent			
Total with multiple of earnings formula .....	100	100	100	100
With maximum benefit amount .....	57	58	55	57
Less than \$50,000 .....	1	2	2	1
\$50,000 - \$99,999 .....	16	16	16	19
\$100,000 .....	6	5	5	8
\$100,001 - \$249,999 .....	7	8	7	7
\$250,000 - \$499,999 .....	12	16	11	10
\$500,000 .....	7	6	6	9
\$500,001 - \$999,999 .....	2	1	3	2
\$1,000,000 or more .....	4	4	6	2
No maximum specified .....	39	38	41	38
Not determinable .....	4	4	4	4
	Average <sup>1</sup>			
Average maximum .....	\$317,829	\$317,074	\$372,990	\$259,684

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

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

**Table 107. Life insurance: Minimum benefits placed on multiple of earnings formulas, full-time employees, medium and large private establishments, 1994**

Minimum	All employ- ees	Profes- sional, techni- cal, and related employ- ees	Clerical and sales employ- ees	Blue- collar and service employ- ees
Number (in thousands) with multiple of earnings formula	16,430	6,474	5,237	4,719
	Percent			
Total with multiple of earnings formula .....	100	100	100	100
With minimum benefit amount .....	8	8	8	10
Less than \$5,000 .....	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )
\$5,000 - \$9,999 .....	1	2	1	( <sup>1</sup> )
\$10,000 - \$14,999 .....	5	3	5	9
\$15,000 and over .....	2	3	2	1
No minimum specified .....	92	92	92	90
Not determinable .....	( <sup>1</sup> )	( <sup>1</sup> )	-	-
	Average <sup>2</sup>			
Average minimum .....	\$14,127	\$16,295	\$14,210	\$11,744

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

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

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

**Table 108. Life insurance: Retiree coverage, full-time employees, medium and large private establishments, 1995**

Coverage	All employees	Professional, technical, and related employees	Clerical and sales employees	Blue-collar and service employees
Number (in thousands) with basic life insurance .....	29,078	8,721	7,227	13,130
	Percent			
Total with basic life insurance ...	100	100	100	100
With retiree coverage .....	37	39	40	34
Employer paid .....	28	27	28	28
Jointly paid .....	2	2	2	2
Retiree paid .....	7	10	9	4
No retiree coverage .....	53	51	52	56
Not determinable .....	10	10	8	11

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

**Table 109. Life insurance: Reductions in benefits for retirees, full-time employees, medium and large private establishments, 1995**

Reduction policy	All employees	Professional, technical, and related employees	Clerical and sales employees	Blue-collar and service employees
Number (in thousands) with basic life insurance .....	29,078	8,721	7,227	13,130
	Percent			
Total with basic life insurance ...	100	100	100	100
With retiree coverage .....	37	39	40	34
No reductions .....	5	6	5	4
With reductions				
Reduced once .....	19	20	17	20
Reduced more than once .....	10	10	15	7
Not determinable .....	3	2	2	3
No retiree coverage .....	53	51	52	56
Not determinable .....	3	2	2	3

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

**Table 110. Life insurance: Supplemental coverage, full-time employees, medium and large private establishments, 1995**

Coverage	All employees	Professional, technical, and related employees	Clerical and sales employees	Blue-collar and service employees
Number (in thousands) with basic life insurance .....	29,078	8,721	7,227	13,130
	Percent			
Total with basic life insurance ...	100	100	100	100
With supplemental coverage ....	59	71	67	47
Employee paid .....	47	53	52	40
Jointly paid .....	2	2	2	2
Flexible benefits .....	10	16	13	4
No supplemental coverage .....	33	25	28	42
Not determinable .....	8	4	5	12

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

**Table 111. Life insurance: Dependent coverage, full-time employees, medium and large private establishments, 1995**

Coverage	All employees	Professional, technical, and related employees	Clerical and sales employees	Blue-collar and service employees
Number (in thousands) with basic life insurance .....	29,078	8,721	7,227	13,130
	Percent			
Total with basic life insurance ...	100	100	100	100
With dependent coverage .....	52	57	61	44
Employer paid .....	6	5	6	7
Employee paid .....	34	37	41	29
Jointly paid .....	2	1	2	3
Flexible benefits .....	10	14	13	5
No dependent coverage .....	40	36	34	45
Not determinable .....	8	6	5	11

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

**Table 112. Life insurance: Eligibility requirement, full-time employees, medium and large private establishments, 1995**

Length-of-service requirement	All employees	Professional, technical, and related employees	Clerical and sales employees	Blue-collar and service employees
Number (in thousands) with basic life insurance .....	29,078	8,721	7,227	13,130
	Percent			
Total with basic life insurance ...	100	100	100	100
With service requirement .....	60	48	61	68
1 month .....	20	23	18	19
2 months .....	5	2	4	7
3 months .....	25	16	31	28
4 - 5 months .....	1	1	( <sup>1</sup> )	2
6 months .....	5	4	5	5
7 - 11 months .....	2	( <sup>1</sup> )	( <sup>1</sup> )	4
12 months .....	2	2	1	2
Greater than 12 months .....	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	1
No service requirement .....	35	48	35	26
Not determinable .....	5	4	4	7
	Average <sup>2</sup>			
Average service requirement (in months) .....	3.2	2.8	2.9	3.5

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

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

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

# Chapter 6.

## Defined Benefit Plans

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A defined benefit pension plan requires an employer to provide retirement benefits calculated by a formula specified in the plan. Benefits are normally based on salary, years of service, or both. An employer, however, usually has considerable freedom in financing these benefits. Most full-time employees in medium and large private establishments participate in defined benefit pension plans. However, participation in defined benefit plans has declined in recent years while defined contribution plans, such as 401(k) plans, have become more common. Defined contribution plans, which specify employer and—if applicable—employee contributions, but do not guarantee a specific benefit, are discussed in the next chapter.

The Employee Benefits Survey includes a variety of defined benefit pension plans provisions (table 113), such as:

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

Each of these topics is discussed in the following sections of this chapter.

### Benefit formulas

*Earnings-based formulas* are the most common method used to determine retirement payments for employees covered by defined benefit pension plans (tables 114-117). Such formulas provide 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.<sup>20</sup>

Approaches to calculating annual earnings and the rate paid per year of service vary. For most participants with earnings-based formulas, pensions are based on earnings in the final

years of employment (*terminal-earnings formula*); for the remainder, an average of career earnings is used (*career-earnings formula*).

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

Participants in plans with terminal-earnings formulas frequently have benefit formulas that vary according to service, earnings, or a combination of the two. For example, a terminal-earnings formula might credit an employee with 1 percent of earnings up to the first \$12,000 in each year of service plus 1.5 percent of the earnings exceeding that amount. If earnings were \$40,000 and service was 30 years, the annual pension payment would be computed as follows:

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

Similarly, formulas based on career earnings often provide participants with percentages that vary, usually by earnings.

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

Most plans that do not use a percent-of-earnings benefit formula specify a dollar amount to be paid for each year of service; for example, a plan might pay \$20 monthly for each of an employee's 30 years of service, thus yielding a pension of \$600 a month. Although the dollar amount in these formulas sometimes varies with an employee's earnings or service, the predominant method is to multiply a uniform (single) dollar amount by years of service (table 118).

The basis of pension payments differs sharply by employee group. A large majority of white-collar participants are provided with earnings-based pensions; in contrast, many plans covering blue-collar participants use dollar-amount formulas. In addition, two other types of defined benefit pension formulas are used, although they cover only a small percent of participants. *Percent-of-contribution formulas* specify a periodic contribution by an employer, and occasionally by an employee, to a plan. The benefits equal a percent of total

contributions, for example, 1 percent of total contributions per month; if career contributions totaled \$40,000, then monthly pension benefits would equal \$400.

Very few employees were covered by cash account pension formulas, which specify an employer contribution and a rate of interest on that contribution. Benefits are computed as a percent of each employee's account balance. Although both percent-of-contribution and *cash account pension formulas* resemble the formulas in defined contribution plans, the Internal Revenue Service classifies these plans as defined benefit plans because the employer guarantees a certain level of benefits.

Participants in some pension plans, particularly those based on percent of terminal earnings formulas, are eligible to receive benefits from either primary or alternative formulas, whichever yields a greater benefit. Alternative formulas often are included to provide a minimum level of benefits for persons with short service or low earnings. For example, a plan may offer a choice of one of the following formulas: A primary formula of 1.25 percent of average career earnings times years of service and an alternative formula of \$15 a month (or \$180 a year) for each year of service. In this case, the alternative formula provides a higher benefit for persons with average career earnings of less than \$14,400 a year.

### Private benefits and Social Security payments

Regardless of whether they provide private retirement plans, all employers (except certain exempted ones) share the cost of Social Security coverage equally with their employees. Because many plan sponsors feel that private pension and Social Security benefits should not be duplicative, pension plans may contain Social Security integration provisions. Such integration may take the form of an offset provision, under which part of the Social Security benefit is subtracted from the annuity, or a provision to calculate the pension at a lower rate for earnings below the Social Security taxable wage base<sup>21</sup> than for earnings above the base (table 119).

Social Security offsets are usually applied immediately upon retirement, whether or not the retiree is eligible for Social Security benefits. The offset typically is specified as a small percentage of the Social Security payment, (for example, 1 percent) times years of service. Frequently, the maximum offset is limited to 50 percent of the total Social Security payment.

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

Benefit formulas are often coordinated with Social Security for pension plan participants. In 1989 and earlier

surveys, the offset approach to coordinating private pension plans and Social Security was more prevalent than the step-rate excess approach, especially among terminal-earnings-based plans. Since 1991, step-rate excess plans have been the most frequently observed method of coordinating benefits for all earnings-based plans. This change resulted from the Tax Reform Act of 1986, which imposed new rules for pension plans that coordinate with Social Security benefits.<sup>22</sup>

### Maximum and minimum benefit provisions

The Employee Retirement Income Security Act of 1974 (ERISA) and subsequent amendments place ceilings on the size of annual pensions from defined benefit plans. These restrictions mostly affect only highly compensated employees. Many plans, however, have provisions that restrict benefit levels for all participants. For example, some participants are in plans that limit the number of years of service included in benefit computations; maximums of 30 to 40 years are typical (table 120). For other participants, annual pensions can not exceed either a specified percent of average annual earnings, or a specified dollar amount.

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

### Methods of payment

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

Another optional method of payment is for the employee to receive the pension benefit in a *lump-sum* payment (table 121). This lump sum provides the employee with the actuarial equivalent of the annuity. In most of these plans, only a full lump-sum option is available. If a participant chooses a full lump-sum distribution, he or she receives no further benefits from the pension plan. Where a partial distribution is available, the participant generally receives a reduced annuity for the remainder of his or her life.

### Survivor annuities

ERISA also requires defined benefit pension plans to provide a spouse with at least 50 percent of the retiree's payments after the retiree's death (table 122). When this type of pension is paid, the employee will usually receive a smaller

## Defined Benefit Plans

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benefit payment during retirement to make up for the plan's length of time. When the retiree dies, the surviving spouse will receive a lifetime pension benefit. All defined benefit pension plan participants have survivor annuity options available to them.<sup>23</sup>

The most prevalent type of survivor benefits—joint-and-survivor annuities—provides a reduced benefit to the retiree and a percentage of that reduced benefit to the spouse upon the retiree's death. The reduction may be a percent of the benefit—for example, 10 percent—or may be actuarially determined based on the life expectancy of the retiree and spouse. Although some participants have plans that offer only one joint-and-survivor option that pays a surviving spouse 50 percent of the retiree's adjusted pension, a majority of participants have a choice of two alternative percentages or more (for example, 50, 67, or 100 percent) to be continued to the spouse, with corresponding reductions in the employees' annuities. Should the spouse die before the retiree, the retiree's unreduced benefit may be restored, although such provisions are not common.

Unlike joint-and-survivor annuities, survivor annuities based on the retiree's accrued benefit do not reduce the employee's pension to adjust for survivor benefits. The retiree receives the straight-life annuity; following the retiree's death, the spouse receives a percent of that annuity—often 50 percent. Such plans cover few participants.

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

### Preretirement survivor benefits

Nearly all defined benefit pension plans offer survivor benefits in case the employee dies before retirement (table 123). Participants usually have to be vested, that is, have a permanent right to accrued pension benefits before plans would make such benefits available. 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. Most survivor pensions like these are based on an early retirement benefit and, aside from the joint-and-survivor reduction, are provided at no cost to the employee. For a few participants, however, preretirement joint-and-survivor protection may involve an extra cost to the employee and is available only if chosen. The employee normally pays this cost through a small deduction in the pension, ultimately payable to either the employee or the surviving spouse.

A few participants have a preretirement survivor annuity calculated as a portion of their accrued benefit (the benefit

earned as of the date they died, without a joint-and-survivor reduction). If an active employee dies after completion of the vesting requirement, a typical survivor would receive an annuity equal to 50 percent of the deceased accrued benefit to date. Payments may be reduced by the early retirement adjustment and begin when the employee would have reached early retirement age.

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

### Normal retirement

A majority of defined benefit pension plan participants can retire before age 65 and still receive normal (unreduced) retirement benefits (table 124). Participants who are required to be age 65 to receive unreduced benefits usually do not have to satisfy a length-of-service requirement; however, some plans may require workers hired after age 60 to complete at least 5 years of service.

When plans permit normal retirement prior to age 65, they generally impose a minimum service requirement. For example, normal retirement at age 60 and 62 is available to a large number of participants, but the majority of these workers also have a service requirement, commonly 5 or 10 years. Participants, who can retire with unreduced benefits prior to age 60, including those who can retire at any age, usually have to work 30 years.

Plans that require combining a worker's age and service to reach a specified sum, such as 80 or 85, for retirement with full benefits cover only a few participants. This type of arrangement usually specifies a minimum age. Minimum lengths of service are less common. When a plan specifies alternative age-and-service requirements for normal retirement, such as age 62 with 10 years of service or age 55 with 20 years of service, the earliest age and associated service is tabulated.

A few pension plans provide monthly payments to supplement normal retirement pension benefits. These supplements are usually found in plans where participants can retire before age 62 and normally last until retirees are eligible for Social Security benefits.

### Early retirement

Virtually all of the employees in defined benefit pension plans can retire before normal retirement age and receive an immediate, but reduced, pension (tables 125-126). Early retirement is mostly at the employee's option; few plans require employer approval for early retirement benefits. The amount of an early retirement pension is reduced because benefits begin at an earlier age, and the retiree is expected to receive plan payments over a longer period.

Early retirement benefits are generally computed based on

the normal retirement formula. The benefit is then reduced by a percentage (factor) for each year between the actual and normal retirement ages. If a plan's normal retirement age is 62, for example, and the reduction factor is 6 percent, a person retiring at age 59 would receive 82 percent of the normal formula amount (that is, the person loses 6 percent for every year under the normal age). In addition to the 18-percent reduction for early retirement, the annuity in this example would be based on fewer years of service and possibly lower earnings than at age 62.

The reduction factor may be uniform or may vary by age or service. For example, reduction factors may differ for each year of early retirement, based on the employee's life expectancy at that age (actuarial reductions), or the reduction factor may differ for age brackets of several years instead of changing each year. Many participants with early retirement opportunities have uniform reduction factors, for example, 4 or 6 percent, for each year of early retirement. In plans with a lower uniform reduction, such as 3 percent per year, the employer subsidizes some of the early retirement benefit by making the reduction less severe than if benefits are computed actuarially.

Most employees are covered by plans permitting early retirement at age 55; generally, 5 or 10 years of service are required. However, some participants can retire earlier than age 55, with a service requirement.

A small number of pension plans provide additional monthly payments to supplement the early retirement pension if employees retire after meeting a specified age or length-of-service requirement generally higher than the minimum needed to retire. Plan sponsors include these supplementary benefits either to induce older workers to retire or as a reward for long service. Supplements generally last until Social Security benefits are payable.<sup>24</sup>

### Disability retirement

A career-ending disability may allow an employee to receive a pension before retirement age. If the disability satisfies the plan's definition of total disability, for example, the employee can no longer perform the required duties, pension benefits often begin immediately. When an employer provides other sources of disability income, such as long-term disability insurance, the plan might defer disability retirement benefits until the other forms of income have ceased. Most pension plan participants are covered by some type of disability retirement provision (tables 127-128).

It is more common for blue-collar workers with disability retirement coverage to be in plans with immediate benefits. Many white-collar workers are in plans that defer benefits. Workers with deferred benefits often receive long-term disability insurance (LTD) benefits that typically provide 50 or 60 percent of earnings at the time of disability; this frequently exceeds the amount that pension plans with immediate

disability retirement provide. Furthermore, most deferred retirement benefits are greater than immediate pensions, primarily because the time during which LTD benefits are paid is typically added to an employee's length of service for calculation of pension benefits. (See chapter 3 for details of LTD benefit plans.)

Eligibility for disability retirement benefits usually depends on length of service; often 10 years or more are required. Some participants, however, have no age or service requirement or have to meet the qualifications of their LTD plans, which usually imposes service requirements of 6 months or less.

### Vesting

Even when an employee leaves an employer before becoming eligible for either a normal, early, or disability retirement benefit, a plan may pay a deferred pension (tables 129-130). If certain conditions are satisfied at the time of separation, workers have a vested interest in all or a portion of their accrued pension benefits and may begin receiving benefits years later.

Although all pension participants are entitled to vested benefits under ERISA, some variations exist as to when vesting occurs. As a result of the Tax Reform Act of 1986, however, most plan sponsors have shortened their vesting schedules in the past few years.<sup>25</sup> For example, most participants in defined benefit pension plans have to complete 5 years of service at any age before benefits are guaranteed (cliff vesting). Most of the remaining participants are in plans requiring 10 years of service. Participants not in plans with cliff vesting are usually covered by a graduated vesting provision, which increases the portion of guaranteed benefits as years of service accumulate. Frequently, participants accrue years of vested service regardless of age, although a few are affected by the plan sponsor's right to exclude years of service before a specified age in determining vesting eligibility.

Full vested pension payments begin at normal retirement age, as specified by the plan, based on the benefit formula in effect when the employee left the plan. As an alternative, terminated and vested participants may receive a reduced pension prior to normal retirement age if the participant has satisfied the early retirement service requirement before leaving the plan.

For terminated and vested employees who wish to receive a pension prior to normal retirement age, ERISA requires the benefit to be at least the actuarial equivalent of what would have been received at age 65. The actuarial equivalent benefit is a reduced amount determined by the life expectancy at the age that pension payments begin. Although under ERISA the reduction factor used in determining the pension for terminated and vested employees can be more severe than for early retirement, the same factor is used in plans covering many participants with early retirement provisions. When

reductions differ, it is common to provide actuarial reductions to deferred vested benefits, eliminating the subsidy employers give to employees choosing early retirement.<sup>26</sup>

### Portability

When employees change employers, the employer frequently holds vested pension benefits until the employee reaches retirement age. Alternatively, a plan may include a *portability* provision, that is, the option to transfer years of credited service or accumulated benefits from one employer to another. Currently, only a few full-time employees with a defined benefit pension plan are covered by a portability provision (table 131). Most of these participants are covered by either a multiemployer plan established by a union or a single employer plan offered by an establishment that has a reciprocity agreement with related establishments, such as in the utilities industry. In these plans, if a vested employee goes to work for another employer, years of credited service or assets are usually transferred over to the new employer. Some participants covered under a portability provision may have an option to cash out vested pension benefits valued at greater than \$3,500.<sup>27</sup>

### Postretirement pension increases

Inflation can severely erode the purchasing power of a fixed pension over a worker's retirement years. To guard against this, some pensions are adjusted on a discretionary basis, and others are subject to automatic increases specified in the pension plans. The Employee Benefits Survey collects data on automatic increases and discretionary, or ad hoc, increases granted during the 5-year period prior to the survey (table 132).

Because the survey counts the number of current employees covered by defined benefit pension plans and not the number of retirees, the survey cannot specify the proportion of annuitants actually receiving postretirement pension increases. Thus, the measures discussed in this section describe the incidence of postretirement increases among active plan participants.

Ad hoc pension increases are not directly linked to a cost-of-living index. Instead, retirees' current pensions usually increase by a percent of the present benefit, commonly a uniform amount. For example, a plan may provide a 5-percent

pension increase to all individuals who retired prior to the year in which the survey was conducted. Other plans may provide greater pension increases for individuals retired longer. For instance, a plan might grant a 5-percent pension increase if retired 10 years or less, and a 10-percent increase if retired more than 10 years.

A small number of plans grant automatic increases in pension benefits to compensate for increases in the cost of living. In most instances, these cost-of-living-adjustment formulas are based on changes in the BLS Consumer Price Index. Adjustments are often restricted, however, by provisions that limit the benefit change to a portion of the CPI change or by ceilings (generally 3 percent or less) on the periodic increase that can be applied. Plans providing cost-of-living increases most often call for annual adjustments.<sup>28</sup>

### Employee contributions

The employer almost always pays the full cost of defined benefit pension plans for private sector participants (table 133). For employees who have to pay part of the cost, contributions are most commonly expressed as a percent of earnings. Participants in contributory plans usually pay a flat percent of all earnings, for example, 3 or 4 percent. Participants in other contributory plans often pay one rate (for example, 2.5 or 4 percent) on earnings above a specified level, and a lower rate (or frequently zero) below that earnings level. The annual earnings level at which this break occurs is either a flat amount stated by the plan, or the Social Security taxable wage base. Plans with varying employee contributions usually coordinate private benefits with Social Security payments, and as discussed earlier, pension benefit computation rates used in these plans are often higher on earnings above the Social Security taxable wage base.

### Participation requirements

Some employees with defined benefit pension plans have immediate coverage when they are hired (table 134). Others can participate regardless of age but have to meet a service requirement, usually 1 year. However, most employees with eligibility requirements normally can not enter the pension plan until they reach age 21 and complete 1 year of service; this is the most restrictive requirement permitted under the Internal Revenue Code.<sup>29</sup>

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—ENDNOTES—

<sup>20</sup> Replacement rates, which are used to measure how retirement pay compares with preretirement earnings, are not available for the 1995 EBS. For a comprehensive analysis of employer-provided retirement plans, including a comparison of income and expenditures of older working persons and retirees, see *Report on American Workforce* (U.S. Department of Labor 1997), pp. 99-145.

<sup>21</sup> The Social Security taxable wage base increases annually. In 1995, it was \$61,200.

<sup>22</sup> For a comprehensive analysis of pension benefit formulas integrated with Social Security, see Avy D. Graham, "Coordinating Private Pension Benefits with Social Security," *Monthly Labor Review*, March 1994, pp. 35-38.

<sup>23</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.

<sup>24</sup> For more information about early retirement provisions, see Ann C. Foster, "Early Retirement Provisions in Defined Benefit Pension Plans," *Compensation and Working Conditions*, December 1996, pp. 12-16.

<sup>25</sup> The Pension Simplification Act of 1996 eliminated the 10-year vesting requirement beginning in January of 1997. Only multiemployer plans may continue to use 10-year vesting schedules pursuant to a collectively bargained agreement.

<sup>26</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.

<sup>27</sup> For more information on portability provisions, see Ann C. Foster, "Portability of Pension Benefits Among Jobs," *Monthly Labor Review*, July 1994.

<sup>28</sup> For more information on postretirement pension increases, see Harriet Weinstein, "Post-retirement Pension Increases," *Compensation and Working Conditions*, Fall, 1997.

<sup>29</sup> However, some plans, such as those in religious institutions, are exempt from certain restrictions in the Internal Revenue Code and may require employees to meet greater age or length-of-service levels before coverage begins.

**Table 113. Defined benefit plans: Summary of plan provisions, full-time employees, medium and large private establishments, 1995**

Provision	All employees	Professional, technical, and related employees	Clerical and sales employees	Blue-collar and service employees
Number (in thousands) with defined benefit plan .....	17,417	4,987	4,450	7,979
	Percent			
Total with defined benefit plan ..	100	100	100	100
<b>Basic provisions</b>				
Employee contribution required .....	3	3	2	3
Benefits based on earnings ..	70	84	76	57
Benefits integrated with Social Security .....	51	58	58	42
Benefits subject to maximum <sup>1</sup> .....	35	40	42	27
Early retirement benefits available .....	96	97	95	96
Disability retirement benefits available .....	73	64	70	81
Portability provisions .....	8	3	9	9
Availability of lump sum benefits at retirement .....	15	14	22	12
<b>Other provisions</b>				
Normal retirement supplement available .....	3	3	1	4
Early retirement supplement available .....	8	10	4	9
Minimum benefits provision ..	4	3	5	3
Early retirement requires employer approval .....	3	4	3	2
Deferred vested benefits available prior to normal retirement age .....	93	92	95	92
Lump-sum postretirement survivor benefits .....	7	7	4	9
Lump-sum preretirement survivor benefits .....	2	1	2	3
Full pension restored if spouse predeceases retiree .....	13	13	11	13
Survivor benefits for children	4	3	5	4

<sup>1</sup> Provisions that restrict benefits, such as limits on the number of years of service included in benefit computations.

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

**Table 114. Defined benefit plans: Primary formula and availability of alternative formula, full-time employees, medium and large private establishments, 1995**

Benefit formula <sup>1</sup>	All employees	Professional, technical, and related employees	Clerical and sales employees	Blue-collar and service employees
Number (in thousands) with defined benefit plan .....	17,417	4,987	4,450	7,979
	Percent			
Total with defined benefit plan ..	100	100	100	100
Percent of terminal earnings	58	71	67	46
With alternative formula ....	18	24	17	15
Percent of career earnings ...	11	13	9	11
With alternative formula ....	5	5	4	5
Dollar amount formula .....	23	10	14	37
With alternative formula ....	( <sup>2</sup> )	( <sup>2</sup> )	1	( <sup>2</sup> )
Percent of contribution				
formula .....	2	( <sup>2</sup> )	1	4
With alternative formula ....	( <sup>2</sup> )	-	( <sup>2</sup> )	( <sup>2</sup> )
Cash account .....	3	4	5	2
With alternative formula ....	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )
Other .....	2	1	4	1

<sup>1</sup> Alternative formulas are generally designed to provide a minimum benefit for employees with short service or low earnings.

<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 115. Defined benefit plans: Terminal earnings formula, full-time employees, medium and large private establishments, 1995**

Item	All employees	Professional, technical, and related employees	Clerical and sales employees	Blue-collar and service employees
Number (in thousands) with terminal earnings formula ...	10,186	3,559	2,988	3,639
	Percent			
Total with terminal earnings formula .....	100	100	100	100
Flat percent per year of service .....	37	38	29	43
Less than 1.00 percent .....	2	1	2	5
1.00 - 1.24 percent .....	10	10	6	12
1.25 - 1.49 percent .....	5	4	6	5
1.50 - 1.74 percent .....	13	16	9	13
1.75 - 1.99 percent .....	3	4	2	4
2.00 - 2.24 percent .....	4	3	5	5
2.25 percent or greater .....	-	-	-	-
Percent per year varies .....	62	62	71	57
By service .....	8	8	14	4
By earnings .....	41	42	46	36
By age .....	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )
By earnings and service ...	13	12	10	17
Other .....	( <sup>1</sup> )	1	( <sup>1</sup> )	-
	Average <sup>2</sup>			
Average flat percent per year of service .....	1.45	1.48	1.49	1.39

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

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

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

**Table 116. Defined benefit plans: Definition of terminal earnings, full-time employees, medium and large private establishments, 1995**

Definition of earnings	All employees	Professional, technical, and related employees	Clerical and sales employees	Blue-collar and service employees
Number (in thousands) with terminal earnings formula ...	10,186	3,559	2,988	3,639
	Percent			
Total with terminal earnings formula .....	100	100	100	100
One year .....	2	2	1	2
Three years .....	17	25	9	17
Last 3 .....	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )
High 3 .....	5	7	2	6
Of last 10 .....	2	3	1	1
Of career .....	3	4	1	5
Of other time period .....	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )
High consecutive 3 .....	12	18	7	11
Of last 10 .....	6	10	3	5
Of career .....	4	5	3	5
Of other time period .....	1	3	( <sup>1</sup> )	1
Five years .....	78	70	89	77
Last 5 .....	3	1	3	4
High 5 .....	11	10	9	14
Of last 10 .....	6	7	4	8
Of career .....	4	2	4	6
Of other time period .....	1	1	1	( <sup>1</sup> )
High consecutive 5 .....	64	59	77	59
Of last 10 .....	48	45	62	40
Of career .....	15	13	13	17
Of other time period .....	1	1	1	1
Other period <sup>2</sup> .....	3	3	1	5

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

<sup>2</sup> Formulas based on earnings during period other than 3 or 5 years' service, or period not immediately before retirement (for example, first 5 of last 10 years' service).

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

**Table 117. Defined benefit plans: Types of earnings included in earnings-based formulas, full-time employees, medium and large private establishments, 1995**

Definition of earnings	All employees	Professional, technical, and related employees	Clerical and sales employees	Blue-collar and service employees
Number (in thousands) with earnings-based formula .....	12,113	4,196	3,393	4,525
	Percent			
Total with earnings-based formula .....	100	100	100	100
Straight-time earnings only ...	62	64	66	59
Straight-time earnings plus other earnings .....	38	37	35	41
Overtime .....	32	32	29	35
Shift differentials .....	24	28	18	26
Commissions .....	18	17	16	21
Other .....	10	9	9	12

NOTE: Sums of individual items may be greater than totals because more than one type of earnings may be included in this definition. Where applicable, dash indicates no employees in this category.

**Table 118. Defined benefit plans: Dollar amount formula, full-time employees, medium and large private establishments, 1995**

Item	All employees	Blue-collar and service employees
Number (in thousands) with dollar amount formula .....	4,049	2,953
	Percent	
Total with dollar amount formula .....	100	100
Flat monthly amount per year of service .....	94	96
Less than \$5.00 .....	4	5
\$5.00 - \$9.99 .....	2	3
\$10.00 - \$14.99 .....	4	5
\$15.00 - \$19.99 .....	9	7
\$20.00 - \$24.99 .....	15	19
\$25.00 - \$29.99 .....	9	11
\$30.00 - \$34.99 .....	23	23
\$35.00 - \$39.99 .....	19	16
\$40.00 or more .....	9	9
Dollar amount varies .....	6	4
By service .....	6	4
	Average <sup>1</sup>	
Average flat dollar amount per year of service .....	\$28.47	\$27.47

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

NOTE: Data were insufficient to show professional, technical, and related employees and clerical and sales employees separately. Because of rounding, sums of individual items may not equal totals. Where applicable, dash indicates no employees in this category.

**Table 119. Defined benefit plans: Integration with Social Security, full-time employees, medium and large private establishments, 1995**

Integration with Social Security	All employees	Professional, technical, and related employees	Clerical and sales employees	Blue-collar and service employees
Number (in thousands) with defined benefit pension .....	17,417	4,987	4,450	7,979
	Percent			
Total with defined benefit pension .....	100	100	100	100
With integrated formula .....	51	58	58	42
Step-rate excess <sup>1</sup> .....	37	42	42	30
Social Security breakpoint .....	33	36	39	27
Dollar amount breakpoint .....	4	5	3	4
Offset by Social Security <sup>2</sup> .....	14	16	16	12
Without integrated formula ...	49	42	42	58

<sup>1</sup> Formula applies lower benefit rate to earnings subject to FICA (Social Security) taxes or below a specific dollar breakpoint.

<sup>2</sup> Benefit as calculated by formula is reduced by portion of primary Social Security payments, for example, 50 percent.

NOTE: Because of rounding, sums of individual items may not equal totals. Where applicable, dash indicates that no data were reported.

**Table 120. Defined benefit plans: Maximum benefit provisions,<sup>1</sup> full-time employees, medium and large private establishments, 1995**

Maximum benefit	All employees	Professional, technical, and related employees	Clerical and sales employees	Blue-collar and service employees
Number (in thousands) with defined benefit plan .....	17,417	4,987	4,450	7,979
	Percent			
Total with defined benefit plan ..	100	100	100	100
Subject to maximum .....	35	40	42	27
Limit on years of credited service .....	33	38	41	26
Less than 30 .....	5	8	4	3
30 .....	7	6	7	8
31 - 34 .....	1	2	( <sup>2</sup> )	( <sup>2</sup> )
35 .....	16	18	22	11
36 - 39 .....	( <sup>2</sup> )	-	( <sup>2</sup> )	( <sup>2</sup> )
40 .....	4	4	7	2
Greater than 40 .....	1	( <sup>2</sup> )	( <sup>2</sup> )	1
Other maximum <sup>3</sup> .....	1	2	2	1
Not subject to maximum .....	65	60	58	73
	Average <sup>4</sup>			
Average credited service maximum (in years) .....	33.1	32.6	34.0	32.9

<sup>1</sup> These maximum provisions are independent of Internal Revenue Code ceilings on pensions payable from defined benefit plans.

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

<sup>3</sup> The benefit yielded under the formula is limited to a percent of terminal earnings or to a flat dollar amount.

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

NOTE: Sums of individual items may not equal totals because some benefit formulas contain a limit on years of credited service and another maximum provision. Where applicable, dash indicates no employees in this category.

**Table 121. Defined benefit plans: Availability of lump sum benefits at retirement, full-time employees, medium and large private establishments, 1995**

Option	All employees	Professional, technical, and related employees	Clerical and sales employees	Blue-collar and service employees
Number (in thousands) with defined benefit plan .....	17,417	4,987	4,450	7,979
	Percent			
Total with defined benefit plan ..	100	100	100	100
With lump sum available .....	15	14	22	12
Full lump sum available ....	15	14	22	10
Limited to specified amount .....	5	5	8	3
No limit .....	10	9	14	8
Partial lump sum with reduced annuity .....	1	( <sup>1</sup> )	( <sup>1</sup> )	1
Other .....	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	-
No lump sum available .....	85	86	78	88

<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 122. Defined benefit plans: Postretirement survivor benefits, full-time employees, medium and large private establishments, 1995**

Survivor benefit provisions	All employees	Professional, technical, and related employees	Clerical and sales employees	Blue-collar and service employees
Number (in thousands) with defined benefit plan .....	17,417	4,987	4,450	7,979
	Percent			
Total with defined benefit plan ..	100	100	100	100
With postretirement survivor benefits .....	100	100	100	100
Joint and survivor annuity <sup>1</sup>	98	98	99	98
50 percent only .....	30	26	31	31
51 - 99 percent only .....	2	1	1	4
100 percent only .....	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	1
Retiree choice of percentages .....	66	70	66	63
Highest:				
50 percent .....	( <sup>2</sup> )	-	( <sup>2</sup> )	( <sup>2</sup> )
51 - 99 percent .....	4	2	4	4
100 percent .....	62	67	63	58
Percent of unreduced accrued benefits .....	2	2	1	2

<sup>1</sup> An annuity that provides income during the lifetime of both the retiree and the surviving spouse. The accrued pension will usually be actuarially reduced at retirement because of the longer time that payments are expected to be made. Employees and their spouses are required to waive the spouse annuity in writing if they desire a pension during the employee's lifetime only or another option offered by the plan, such as guarantee of payment for a specified period.

<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 123. Defined benefit plans: Preretirement survivor benefits, full-time employees, medium and large private establishments, 1995**

Survivor benefit provisions	All employees	Professional, technical, and related employees	Clerical and sales employees	Blue-collar and service employees
Number (in thousands) with defined benefit plan .....	17,417	4,987	4,450	7,979
	Percent			
Total with defined benefit plan ..	100	100	100	100
With preretirement survivor benefits <sup>1</sup> .....	98	99	96	98
Equivalent to joint-and-survivor annuity <sup>2</sup> .....	96	96	95	96
50 percent of employee's pension	82	81	80	85
With additional employee cost <sup>3</sup> ...	6	8	6	6
Other percent of employee's pension <sup>4</sup> .....	4	5	3	5
With additional employee cost <sup>3</sup> ...	1	1	( <sup>5</sup> )	2
Employee choice of percent <sup>6</sup> .....	9	10	12	7
With additional employee cost <sup>3</sup> ...	1	3	( <sup>5</sup> )	( <sup>5</sup> )
Percent of accrued benefits .....	2	3	1	2
Other <sup>7</sup> .....	( <sup>5</sup> )	( <sup>5</sup> )	( <sup>5</sup> )	-
No preretirement survivor benefits .....	2	1	4	2

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

<sup>2</sup> The spouse annuity is computed as if the employee had retired with a joint-and-survivor annuity. That is, the accrued pension is first reduced because of the longer time that payments were expected to be made to both the retiree and the surviving spouse. The spouse's share is then the specified percent of the reduced amount.

<sup>3</sup> Plan reduces the accrued employee pension benefit for each year survivor protection is in force.

<sup>4</sup> Other percentages range from 51 - 100 percent of retiree's pension.

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

<sup>6</sup> Alternative percentages were usually 50 or 100 percent.

<sup>7</sup> Includes annuity based on a dollar amount formula or percent of earnings.

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

**Table 124. Defined benefit plans: Requirements for normal retirement, full-time employees, medium and large private establishments, 1995**

Requirements for normal retirement <sup>1</sup>	All employees	Professional, technical, and related employees	Clerical and sales employees	Blue-collar and service employees
Number (in thousands) with defined benefit plan .....	17,417	4,987	4,450	7,979
	Percent			
Total with defined benefit plan ..	100	100	100	100
No age requirement .....	6	4	5	6
30 years of service .....	5	4	5	6
35 years of service .....	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )
At age 55 .....	4	4	5	4
No service requirement ....	( <sup>2</sup> )	( <sup>2</sup> )	-	1
5 years of service .....	( <sup>2</sup> )	( <sup>2</sup> )	1	( <sup>2</sup> )
20 years of service .....	( <sup>2</sup> )	( <sup>2</sup> )	1	( <sup>2</sup> )
21 - 24 years of service ....	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )
25 years of service .....	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )
30 years of service .....	3	4	3	2
More than 30 years of service .....	( <sup>2</sup> )	-	( <sup>2</sup> )	( <sup>2</sup> )
At age 56 - 59 .....	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	1
20 years of service .....	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	-
30 years of service .....	( <sup>2</sup> )	-	-	1
At age 60 .....	8	10	8	6
No service requirement ....	1	1	2	1
5 years of service .....	1	( <sup>2</sup> )	1	1
10 years of service .....	3	5	3	3
15 years of service .....	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )
20 years of service .....	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )
25 years of service .....	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )
30 years of service .....	2	3	2	1
More than 30 years of service .....	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )
At age 61 .....	( <sup>2</sup> )	-	-	( <sup>2</sup> )
15 years of service .....	( <sup>2</sup> )	-	-	( <sup>2</sup> )
At age 62 .....	26	19	22	32
No service requirement ....	3	4	2	4
5 years of service .....	4	5	4	4
6 - 9 years of service .....	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	-
10 years of service .....	9	6	4	13
15 years of service .....	3	3	3	3
20 years of service .....	4	1	7	3
25 years of service .....	1	( <sup>2</sup> )	1	1

See footnotes at end of table.

**Table 124. Defined benefit plans: Requirements for normal retirement, full-time employees, medium and large private establishments, 1995 — Continued**

Requirements for normal retirement <sup>1</sup>	All employees	Professional, technical, and related employees	Clerical and sales employees	Blue-collar and service employees
Total with defined benefit plan				
At age 62				
26 - 29 years of service ....	( <sup>2</sup> )	-	-	1
30 years of service .....	2	( <sup>2</sup> )	1	3
More than 30 years of service .....	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	-
At age 63 - 64 .....	( <sup>2</sup> )	-	1	( <sup>2</sup> )
No service requirement ....	( <sup>2</sup> )	-	1	( <sup>2</sup> )
At age 65 .....	48	53	51	43
No service requirement ....	36	39	39	32
1 - 4 years of service .....	( <sup>2</sup> )	1	1	( <sup>2</sup> )
5 years of service .....	9	11	9	8
10 years of service .....	2	2	1	2
15 years of service .....	( <sup>2</sup> )	( <sup>2</sup> )	-	( <sup>2</sup> )
25 years of service .....	( <sup>2</sup> )	-	( <sup>2</sup> )	1
30 years of service .....	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )
Sum of age plus service <sup>3</sup> .....	9	10	8	8
Equals less than 80 .....	1	1	1	1
Equals 80 .....	1	1	1	( <sup>2</sup> )
Equals 81 - 89 .....	6	7	4	6
Equals 90 .....	1	( <sup>2</sup> )	1	1
Equals more than 90 .....	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	-

<sup>1</sup> Normal retirement is defined as the point at which the participant could retire and immediately receive all accrued benefits by virtue of service and earnings, without reduction due to age. If a plan had alternative age and service requirements, the earliest age and associated service were tabulated; if one alternative did not specify an age, it was the requirement tabulated.

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

<sup>3</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 125. Defined benefit plans: Requirements for early retirement, full-time employees, medium and large private establishments, 1995**

Requirements for early retirement <sup>1</sup>	All employees	Professional, technical, and related employees	Clerical and sales employees	Blue-collar and service employees
Number (in thousands) with defined benefit plan .....	17,417	4,987	4,450	7,979
	Percent			
Total with defined benefit plan ..	100	100	100	100
With early retirement available .....	96	97	95	96
No age requirement <sup>2</sup> .....	7	7	4	9
Less than 20 years of service .....	( <sup>3</sup> )	( <sup>3</sup> )	( <sup>3</sup> )	( <sup>3</sup> )
20 - 29 years of service .....	1	2	( <sup>3</sup> )	1
30 years of service .....	6	4	4	9
Less than age 55 .....	9	8	13	8
No service requirement <sup>2</sup> .....	( <sup>3</sup> )	( <sup>3</sup> )	( <sup>3</sup> )	( <sup>3</sup> )
5 years of service .....	3	1	6	3
6 - 9 years of service .....	( <sup>3</sup> )	( <sup>3</sup> )	-	( <sup>3</sup> )
10 years of service .....	2	1	2	2
15 years of service .....	1	1	1	1
20 years of service .....	( <sup>3</sup> )	( <sup>3</sup> )	( <sup>3</sup> )	( <sup>3</sup> )
25 years of service .....	3	4	4	2
At age 55 .....	67	70	69	65
No service requirement <sup>2</sup> .....	4	6	3	4
1 - 4 years of service .....	( <sup>3</sup> )	( <sup>3</sup> )	( <sup>3</sup> )	( <sup>3</sup> )
5 years of service .....	21	23	27	16
6 - 9 years of service .....	( <sup>3</sup> )	( <sup>3</sup> )	( <sup>3</sup> )	( <sup>3</sup> )
10 years of service .....	31	29	25	35
11 - 14 years of service .....	( <sup>3</sup> )	( <sup>3</sup> )	( <sup>3</sup> )	-
15 years of service .....	9	10	12	8
20 years of service .....	1	1	2	( <sup>3</sup> )
25 years of service .....	1	( <sup>3</sup> )	1	1
Between ages 56 - 59 .....	1	3	1	( <sup>3</sup> )
10 years of service .....	( <sup>3</sup> )	( <sup>3</sup> )	( <sup>3</sup> )	-
30 years of service .....	1	2	( <sup>3</sup> )	( <sup>3</sup> )

See footnotes at end of table.

**Table 125. Defined benefit plans: Requirements for early retirement, full-time employees, medium and large private establishments, 1995 — Continued**

Requirements for early retirement <sup>1</sup>	All employees	Professional, technical, and related employees	Clerical and sales employees	Blue-collar and service employees
	Percent			
Total with defined benefit plan				
With early retirement available				
At age 60 .....	6	3	4	10
No service requirement <sup>2</sup>	( 3)	( 3)	( 3)	( 3)
5 years of service .....	2	2	1	2
10 years of service .....	1	( 3)	1	2
15 years of service .....	2	1	1	3
20 years of service .....	( 3)	( 3)	( 3)	( 3)
30 years of service .....	1	( 3)	1	2
At age 62 .....	1	1	1	1
10 years of service .....	( 3)	( 3)	( 3)	1
15 years of service .....	1	1	1	( 3)
Sum of age plus service <sup>4</sup> ..	4	6	2	3
Equals less than 80 .....	3	5	2	3
Equals 80 .....	( 3)	1	( 3)	( 3)
Equals 81 - 89 .....	( 3)	( 3)	( 3)	( 3)
Early retirement not available	4	3	5	4

<sup>1</sup> Early retirement is defined as the point at which a worker could retire and immediately receive accrued benefits based on service and earnings but reduced for each year prior to normal retirement age. 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>2</sup> Where no service requirement is specified for early retirement, the service required for full vesting, usually 5 years, applies.

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

<sup>4</sup> In most plans, participants must satisfy a minimum age or service requirement.

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

**Table 126. Defined benefit plans: Early retirement reduction, full-time employees, medium and large private establishments, 1995**

Early retirement reduction <sup>1</sup>	All employees	Professional, technical, and related employees	Clerical and sales employees	Blue-collar and service employees
Number (in thousands) with early retirement available ...	16,738	4,837	4,214	7,687
	Percent			
Total with early retirement available .....	100	100	100	100
Uniform percentage reduction <sup>2</sup> .....	40	41	32	43
Less than 3.0 .....	4	6	3	3
3.0 .....	3	4	3	3
3.1 - 3.9 .....	1	1	1	2
4.0 .....	4	6	4	3
4.1 - 4.9 .....	2	( <sup>3</sup> )	1	3
5.0 .....	7	7	6	7
5.1 - 5.9 .....	( <sup>3</sup> )	-	1	( <sup>3</sup> )
6.0 .....	14	11	12	16
6.1 - 6.9 .....	2	1	2	3
7.0 .....	1	1	-	1
Greater than 7.0 .....	2	4	( <sup>3</sup> )	1
Reduction varies .....	60	59	67	57
By service .....	3	4	4	3
By age .....	57	55	63	54
Other reduction <sup>4</sup> .....	( <sup>3</sup> )	( <sup>3</sup> )	( <sup>3</sup> )	( <sup>3</sup> )
	Average <sup>5</sup>			
Average uniform reduction percentage .....	5.0	4.8	4.9	5.1

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

<sup>2</sup> In specific cases, uniform percentage reductions may approximate actuarial reductions, such as early retirement at age 55 with a reduction of 6 percent per year between age 55 and the plan's normal retirement age of 62.

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

<sup>4</sup> Reduced amount was not derived from normal retirement formula.

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

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

**Table 127. Defined benefit plans: Method of calculating disability retirement benefits, full-time employees, medium and large private establishments, 1995**

Benefit provisions	All employees	Professional, technical, and related employees	Clerical and sales employees	Blue-collar and service employees
Number (in thousands) with defined benefit plan .....	17,417	4,987	4,450	7,979
	Percent			
Total with defined benefit plan ..	100	100	100	100
With disability retirement available .....	73	64	70	81
Immediate disability retirement <sup>1</sup> .....	45	34	36	57
Unreduced normal benefits <sup>2</sup> .....	29	22	26	35
Reduced normal benefits <sup>3</sup> .....	12	10	8	16
Other than normal benefits <sup>4</sup> .....	3	1	2	5
Not determinable .....	( <sup>5</sup> )	( <sup>5</sup> )	( <sup>5</sup> )	( <sup>5</sup> )
Deferred disability retirement .....	28	31	34	24
With benefits based on:				
Service when disabled .....	4	4	3	4
Service to retirement age .....	24	26	30	20
Other .....	( <sup>5</sup> )	( <sup>5</sup> )	1	( <sup>5</sup> )
Not determinable .....	( <sup>5</sup> )	( <sup>5</sup> )	( <sup>5</sup> )	( <sup>5</sup> )
Disability retirement not available .....	27	36	30	19

<sup>1</sup> Immediate disability pensions may be supplemented by additional allowances until an employee reaches a specified age or becomes eligible for Social Security.

<sup>2</sup> The disabled worker's pension is computed under the plan's normal benefit formula and is paid as if retirement had occurred on the plan's normal retirement date, either based on years of service actually completed or projected to a later date.

<sup>3</sup> The disabled worker's pension is computed under plan's normal benefit formula, based on years of service actually completed, and then reduced for early receipt.

<sup>4</sup> The disabled worker's benefit is not computed by the plan's normal benefit formula. The methods used include flat amount benefits, dollar amount formulas, percent of unreduced normal benefits less Social Security, and percent of earnings formula both with and without Social Security offsets.

<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 128. Defined benefit plans: Requirements for disability retirement, full-time employees, medium and large private establishments, 1995**

Requirements for disability retirement <sup>1</sup>	All employees	Professional, technical, and related employees	Clerical and sales employees	Blue-collar and service employees
Number (in thousands) with defined benefit plan .....	17,417	4,987	4,450	7,979
	Percent			
Total with defined benefit plan ..	100	100	100	100
With disability retirement available .....	73	64	70	81
No minimum requirements	11	9	12	12
No age requirement .....	28	21	22	36
Less than 5 years of service .....	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )
5 years of service .....	1	1	( <sup>2</sup> )	2
6 - 9 years of service ....	( <sup>2</sup> )	-	-	( <sup>2</sup> )
10 years of service .....	16	13	12	21
11 - 14 years of service ..	( <sup>2</sup> )	-	( <sup>2</sup> )	1
15 years of service .....	10	8	9	12
Greater than 15 years of service .....	( <sup>2</sup> )	( <sup>2</sup> )	1	-
Less than age 40 .....	1	( <sup>2</sup> )	1	1
No service requirement	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )
Less than 10 years of service .....	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )
10 years of service .....	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	-
Ages 40 - 49 .....	1	2	1	1
10 years of service .....	1	2	1	1
Greater than 10 years of service .....	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )
Age 50 or more .....	7	7	4	8
No service requirement	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )
Less than 10 years of service .....	2	1	1	2
10 years of service .....	3	3	2	3
Greater than 10 years of service .....	2	2	1	2
Sum of age plus service ...	1	( <sup>2</sup> )	1	1
Receipt of long-term disability insurance benefits .....	17	19	24	12
Minimum vesting requirement <sup>3</sup> .....	7	5	4	10
Disability retirement not available .....	27	36	30	19

<sup>1</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>2</sup> Less than 0.5 percent.

<sup>3</sup> An employee may be entitled to pension benefits after satisfying vesting service requirements, usually 5 years.

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

**Table 129. Defined benefit plans: Vesting requirements, full-time employees, medium and large private establishments, 1995**

Vesting requirements	All employees	Professional, technical, and related employees	Clerical and sales employees	Blue-collar and service employees
Number (in thousands) with defined benefit plan .....	17,417	4,987	4,450	7,979
	Percent			
Total with defined benefit plan ..	100	100	100	100
Immediate full vesting .....	1	2	( <sup>1</sup> )	1
Cliff vesting <sup>2</sup> .....	96	95	95	97
With full vesting:				
At any age .....	93	93	91	94
Less than 5 years .....	( <sup>1</sup> )	1	( <sup>1</sup> )	( <sup>1</sup> )
5 years .....	87	91	86	84
6 - 9 years .....	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	-
10 years .....	6	2	4	10
After specified age <sup>3</sup> .....	3	2	3	3
5 years .....	3	2	3	3
Graduated vesting <sup>4</sup> .....	3	3	5	2
With full vesting after:				
Less than 7 years .....	1	1	2	1
7 years .....	1	1	3	1
More than 7 years .....	( <sup>1</sup> )	1	-	-

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

<sup>2</sup> Under a cliff vesting schedule, an employee is not entitled to any benefits accrued under a pension plan until satisfying the requirement for 100-percent vesting (usually after 5 years).

<sup>3</sup> Sponsors may exclude years of service completed before age 18 from counting towards satisfaction of minimum vesting standards.

<sup>4</sup> Graduated vesting schedules give an employee rights to a gradually increasing share of pension benefits determined by years of service, eventually reaching 100-percent vesting status (usually after 7 years).

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

**Table 130. Defined benefit plans: Provisions for early receipt of deferred vested benefits, full-time employees, medium and large private establishments, 1995**

Receipt of deferred vested benefits	All employees	Professional, technical, and related employees	Clerical and sales employees	Blue-collar and service employees
Number (in thousands) with defined benefit plan .....	17,417	4,987	4,450	7,979
	Percent			
Total with defined benefit plan ..	100	100	100	100
Deferred vested benefits available prior to normal retirement age .....	93	92	95	92
Reduced same as early retirement .....	60	56	66	59
Other reduction .....	33	36	29	33
Actuarial reduction .....	23	22	24	23
Uniform percent reduction .....	7	10	4	7
Other .....	3	4	1	2
Deferred vested benefits not available prior to normal retirement age .....	7	8	5	8

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

**Table 131. Defined benefit plans: Portability provisions, full-time employees, medium and large private establishments, 1995**

Portability provisions	All employees	Professional, technical, and related employees	Clerical and sales employees	Blue-collar and service employees
Number (in thousands) with defined benefit plan .....	17,417	4,987	4,450	7,979
	Percent			
Total with defined benefit plan ..	100	100	100	100
With portability provisions .....	8	3	9	9
Transfer of service credits .....	2	1	4	2
Transfer of assets .....	( <sup>1</sup> )	1	( <sup>1</sup> )	( <sup>1</sup> )
Transfer of service credits and assets .....	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	-
Lump sum over \$3,500 paid out to separated employee .....	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	-
Multi-employer plans .....	5	2	4	7
Reciprocity with other plans/jurisdictions ...	3	1	3	3
Contribution sent to home fund .....	1	( <sup>1</sup> )	1	1
Pro rata pension paid by several funds .....	2	1	2	2
Other .....	( <sup>1</sup> )	-	-	( <sup>1</sup> )
No reciprocity .....	2	( <sup>1</sup> )	1	4
Other .....	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )
No portability provisions .....	92	97	91	91

<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 132. Defined benefit plans: Postretirement pension increases, full-time employees, medium and large private establishments, 1995**

Item	All employees	Professional, technical, and related employees	Clerical and sales employees	Blue-collar and service employees
Number (in thousands) with defined benefit plan .....	17,417	4,987	4,450	7,979
	Percent			
Total with defined benefit plan ..	100	100	100	100
With postretirement increase available <sup>1</sup> .....	7	6	6	8
Automatic cost-of-living increase .....	3	4	4	3
Discretionary increase granted to retirees in the last 5 years .....	4	2	2	5
No postretirement increase ..	93	94	94	92

<sup>1</sup> Total may exceed sum of individual items because employees may be covered by more than one type of postretirement increase.

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

**Table 133. Defined benefit plans: Employee contribution requirements, full-time employees, medium and large private establishments, 1995**

Employee contributions	All employees	Professional, technical, and related employees	Clerical and sales employees	Blue-collar and service employees
Number (in thousands) with defined benefit plan .....	17,417	4,987	4,450	7,979
	Percent			
Total with defined benefit plan ..	100	100	100	100
Employee contribution required .....	3	3	2	3
Pretax contribution allowed .....	1	2	( <sup>1</sup> )	( <sup>1</sup> )
Pretax contribution not allowed .....	2	2	1	3
No employee contribution required .....	97	97	98	97

<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 134. Defined benefit plans: Eligibility requirements, full-time employees, medium and large private establishments, 1995**

Eligibility requirements <sup>1</sup>	All employees	Professional, technical, and related employees	Clerical and sales employees	Blue-collar and service employees
Number (in thousands) with defined benefit plan .....	17,417	4,987	4,450	7,979
	Percent			
Total with defined benefit plan ..	100	100	100	100
Plan participation available to new employees .....	100	100	100	99
With minimum age and/or service requirement ....	69	66	82	62
Service requirement only .....	27	22	25	30
3 months and less ....	1	1	3	1
4 - 5 months .....	2	( <sup>2</sup> )	1	3
6 months .....	1	1	2	1
1 year .....	21	18	18	24
13 - 23 months .....	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )
2 years .....	1	2	1	1
Age 20 or less .....	3	3	3	2
No service requirement .....	1	2	1	1
1 - 11 months .....	( <sup>2</sup> )	( <sup>2</sup> )	-	( <sup>2</sup> )
1 year .....	1	1	1	( <sup>2</sup> )
Over 1 year .....	( <sup>2</sup> )	-	1	( <sup>2</sup> )
Age 21 <sup>3</sup> .....	39	40	53	30
No service requirement .....	2	4	1	2
1 - 11 months .....	2	3	1	3
1 year .....	34	34	51	26
Over 1 year .....	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	-
Age 22 and over .....	1	( <sup>2</sup> )	1	( <sup>2</sup> )
1 year .....	1	( <sup>2</sup> )	1	( <sup>2</sup> )
No minimum age or service requirement ....	31	33	18	37
Plan participation not available to new employees .....	( <sup>2</sup> )	( <sup>2</sup> )	-	1
	Average <sup>4</sup>			
Average service requirement (in months) .....	11.6	11.9	11.6	11.5

<sup>1</sup> Excludes administrative time lags.

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

<sup>3</sup> The Internal Revenue Code requires that nearly all plans must allow participation to full-time employees who have reached the age of 21 who have completed one year of service. Plans that provide immediate vesting of accrued benefits may require up to three years. Church plans are exempt from the Internal Revenue Code.

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

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

# Chapter 7.

## Defined Contribution Plans

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**D**efined contribution plans specify the level of employer contributions to a plan, but not the formula for determining eventual benefits as in a defined benefit plan. Instead, personal accounts are set up for participants, and benefits depend on amounts credited to these accounts, plus investment earnings. Although employers normally guarantee they will make contributions, the employee bears the risk of fluctuation in investment earnings.

This chapter examines details of defined contribution plans, including:

- Types of defined contribution plans;
- Provisions, such as contributions and distributions, associated with several types of plans; and
- Pretax arrangements, known as 401(k) plans, and their unique features.

Since 1975, when the Employee Retirement Income Security Act (ERISA) became effective, the number of participants in private defined contribution plans has risen steadily, while the number of participants in defined benefit plans has increased only slightly. Most of the recent participation growth in defined contribution plans is occurring in new plans, particularly in 401(k) type plans, which offer cash or tax-deferred options on currently taxable compensation.<sup>30</sup>

Defined contribution plans primarily provide retirement benefits. Most retirement plans do not allow withdrawal of employer contributions until retirement age, death, disability, separation from service, age 59 1/2, or hardship. However, some plans may impose less stringent restrictions for withdrawal of employer contributions, for example, permitting one or two withdrawals per year, or allowing withdrawal after 2 or 5 years of service.<sup>31</sup> Nevertheless, these defined contribution plans may also furnish retirement income because withdrawals of the employer's contributions are voluntary, not mandatory. For purposes of the Employee Benefits Survey, all defined contribution plans are considered retirement plans.

### Plan types

Defined contribution plans may be classified by type of plan (table 1). The survey provides data on the following types of plans: Savings and thrift, deferred profit sharing, money purchase pension, employee stock ownership plans (ESOP's), and stock bonus.<sup>32</sup> Savings and thrift and money

purchase pension plans are common among white-collar workers, while deferred profit-sharing plans are common among both white-collar and blue-collar workers. Stock plans, however, cover only a small portion of employees.

Most participants in defined contribution plans make contributions to their plans. All savings and thrift plan participants are required to make contributions as a condition of joining the plan, with the employer matching some or all of the employee contribution. In contrast, nearly all participants in private defined benefit plans have all contributions made by the employer.

Employees may receive retirement benefits from defined benefit plans, defined contribution plans, or both.

Another type of plan frequently encountered is a 401(k) plan (named after the applicable section of the Internal Revenue Code). Such plans, also called cash or deferred arrangements, are usually features of other defined contribution plans that give employees the opportunity to defer income and taxes into the future. The features of these plans are discussed in more detail at the end of this chapter.

### Savings and thrift plans

Savings and thrift plans enroll a large number of employees in medium and large private establishments. Under these plans, employees may contribute a predetermined portion of earnings (usually pretax) to an account, all or part of which the employer matches (table 135). Contributions are invested in various investment options, such as stocks, bonds, and money market funds, as directed by the employee or employer, depending upon the provisions of the plan. Although usually designed as a long-term savings vehicle, savings and thrift plans may allow withdrawals for specified conditions (such as medical and educational expenses) and may allow participants to borrow funds from their account. Also many savings and thrift plans allow participants to transfer or "rollover" amounts received from a plan of a former employer (table 136). Such a rollover continues the tax deferral on money that was sheltered from taxes before the terminated employee received it.

*Employee contributions.* (See tables 137-139.) Savings and thrift plans allow employees to choose from a range of contribution rates. A plan, for example, might allow employee contributions of any amount from 5 to 20 percent of pay. Maximum contributions are commonly 10, 12, 15, and 16 percent.

## Defined Contribution Plans

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The ability to make employee contributions on a pretax basis, known as salary reduction, has only recently become a dominant feature of savings and thrift plans. Participants in savings and thrift plans are usually allowed to make pretax contributions.

The provisions governing pretax contributions vary widely. For example, many participants in plans allowing pretax contributions are allowed to make only pretax contributions; some other plans have an option to make either pretax or posttax contributions; and others must make at least some of their contributions on a pretax basis.

The tax status of employee contributions is important not only because of the current deferral of income taxes, but also because an employee may not withdraw pretax contributions from his or her account—except in limited circumstances—without tax penalties.

*Employer-matching contributions.* (See tables 140-141.) Employers give incentives for participating in a savings and thrift plan by matching all or a portion of the employee's contribution (adding this amount to the employee's account). Usually the employer matches a portion of the employee's contribution up to a specified percent of the employee's earnings. For example, an employer may match half of the employee's contribution up to the first 6 percent of earnings. Assuming the employee contributes 8 percent of earnings, the employer would add 3 percent (half of the first 6 percent of the employee's earnings) for a total contribution of 11 percent to the employee's account. In contrast with these straight percentage matches, some participants receive matching contribution rates varying by length of service, level of employee contribution, or company profits.<sup>33</sup>

In some savings and thrift plans, the employer may also provide discretionary profit-sharing contributions to the employee's account (table 142).

*Investment decisions.* (See tables 143-146.) Most participants in savings and thrift plans can choose how to invest their own contributions. Investment options offered by these plans include company stock, common stock funds, guaranteed investment contracts, government securities, money market funds, and long-term interest bearing securities such as corporate bonds and U.S. Treasury notes. The number of choices in these plans varies from 2 to 10 or more. Employees are usually allowed to split their contributions among the various options—typically in multiples of 10 or 25 percent. For example, a participant may choose to invest 50 percent in company stock and 50 percent in government securities. In addition, plans often permit participants to change their investment choices periodically, such as two or four times per year.

In most cases, employees have less of a choice in how employer contributions are invested. When no choice is

allowed, the plan typically specifies that the matching contribution is invested in company stock.

*Withdrawals and loans.* (See tables 147-154.) Prior to normal payout at retirement, disability, or termination of employment, many participants in savings and thrift plans are allowed to withdraw all or a portion of employer contributions. As withdrawal provisions are canceled or further restricted (typically due to the tax penalties associated with withdrawals), loan provisions (discussed later in this section) have become more available.

Many participants in plans allowing withdrawal of employer contributions can only access their funds for hardship reasons, such as medical or educational expenses. The remaining participants can withdraw employer contributions for any reason.

Withdrawals of employer contributions may also be subject to a variety of other restrictions. For example, some participants who can make withdrawals may only withdraw part of their employer's contribution. Additionally, many of those who do make withdrawals, have a penalty imposed. Penalties usually involve suspending employer matching contributions for a given period, such as 6 months or 1 year, or suspending employee contributions and employer matching contributions. Other penalties include forfeiting nonvested employer contributions.

Another method of accessing an employee's account prior to final payout is a loan. Loans usually have to be repaid within 5 years, but longer payment periods may apply for home purchase or renovation loans.

*Distribution.* (See table 155.) At retirement, savings and thrift plans commonly allow for payout in the form of a lump sum. Many participants can choose from among a lump sum and other options, such as a lifetime annuity or installments over a specified period.

*Participation requirements.* (See table 156.) Minimum age and/or service requirements are frequently imposed on new participants in savings and thrift plans, typically 1 year. However, participants are usually not required to reach a minimum age as is common in defined benefit plans.

*Vesting.* (See table 157.) Saving and thrift plans are subject to the same vesting rules under ERISA as defined benefit plans. Vesting schedules vary significantly, however, between defined benefit and savings and thrift plans. All vesting schedules apply to employer contributions; employee contributions (including pretax contributions) are always 100-percent vested.

Savings and thrift plans often include immediate full vesting. In addition, graduated vesting, in which an employee's nonforfeitable percentage increases over time until it reaches

100 percent, commonly after 5 years, applies to a large number of participants in savings and thrift plans. In contrast, few defined benefit plan participants have either immediate full vesting or graduated vesting.

“Cliff vesting”, in which no vesting occurs until an employee satisfies the service requirements for 100-percent vesting, is more common in defined benefit plans than in savings and thrift plans. Savings and thrift plan participants covered under a cliff-vesting schedule are usually fully vested after reaching 5 years of service.

Finally, class-year vesting—under which employer contributions for a particular year (class) become nonforfeitable after a specific period of time, usually 3 years—applies to few saving and thrift plan participants.

### Deferred profit-sharing plans

Deferred profit-sharing plans, although not as widespread as savings and thrift plans, are available to a significant number of employees. Most deferred profit-sharing plans hold money in employee accounts until retirement or another condition stipulated by the plan (for example, disability or death). In some plans, however, the employee may have a choice to receive a portion of the profits in cash, with the remainder placed in a deferred account.<sup>34</sup>

Most participants in deferred profit-sharing plans have employer contributions determined by a specified formula, such as 4 percent of profits if annual sales were \$2 million to \$5 million, and 8 percent if sales exceeded \$5 million. The remaining participants are in plans in which the employer determines its contribution with no predetermined formula (table 158).

Once the employer contribution is determined, the plan may allocate it to individual participants in a number of ways (table 159). The most common way is as a proportion of salary. Other allocation methods include formulas based on both earnings and service, participants’ contributions as a proportion of total contributions, and equal allocations to all participants. Plan features, such as loans and withdrawals from employee accounts, are available to participants in deferred profit-sharing plans less commonly than to those in savings and thrift plans (table 160).

Deferred profit-sharing plans may allow employees to contribute to their plan as a means of increasing the value of their account. However, it is infrequent that employees are required to contribute to such plans. Plans frequently give employees only limited opportunities to make investment choices. Plan participation and vesting requirements tend to be similar to those in saving and thrift plans (tables 161-162).

### Money purchase pension plans

Another type of defined contribution plan, available to a small percent of full-time employees in medium and large private establishments, is a money purchase pension plan.

These plans accumulate funds through a fixed contribution to accounts set up for each employee. Normally, employer contributions are a percent of an employee’s salary, such as 3 percent per year. These contributions, plus earnings, are available at retirement. In general, employee contributions are neither required nor allowed, employees do not participate in investment decisions, and accounts may not be accessed by either withdrawal or loan—prior to retirement.

These plans are referred to as pension plans because they often provide a periodic payment to employees at retirement. This is accomplished by using the funds accumulated in each employee’s account to purchase an annuity—often from an insurance company—that guarantees a periodic payment for life. Other payment arrangements may be available, including a lump sum or installments.

### Stock plans

Two types of stock plans are found in the defined contribution plans—stock bonus plans and employee stock ownership plans.<sup>35</sup> A stock bonus plan specifies employer or employee and employer contributions to a trust fund that invests in various securities. Employee stock ownership plans, however, are generally entirely employer financed and must be designed to invest primarily in company stock. ESOP’s may be used as the means by which employees purchase their own company, with stock distributed to individual employee accounts periodically as loans used to finance the purchase are repaid.

Both types of stock plans make benefit distributions in either company stock or cash. Stock plans are not usually found among full-time employees in medium and large private establishments.

### Cash or deferred arrangements

Plans with a cash or deferred arrangement enroll many employees within the scope of the survey.<sup>36</sup> These arrangements, also known as 401 (k) plans, allow participants to choose between receiving currently taxable income or deferring taxation by placing the money in a retirement account. Cash or deferred arrangements usually take the form of either salary reduction plans or deferrals of profit-sharing allocations.

Salary reduction plans allow employees to contribute a part of their earnings to a retirement plan, and defer income taxes on those contributions and their earnings until distribution (table 163). Such contributions are referred to as “employee elective deferrals” or “pretax contributions.”

Salary reduction features, more common among white-collar employees than among blue-collar employees, are available through several types of defined contribution plans. The most common salary reduction mechanism is a savings and thrift plan. Other such mechanisms usually call for salary reduction contributions through a profit-sharing plan or a free-standing plan, that is, a plan set up for employee salary

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reduction with no employer contribution.

Deferrals of profit-sharing allocations give employees the choice of receiving an employer's profit-sharing contribution immediately in cash, or deferring the contribution and postponing taxation until distribution. Such arrangements are infrequent.

In addition to data on provisions of individual defined contribution plans, information is also available on the provisions of 401(k) salary reduction plans that include employer contributions. Data on the following plan provisions appear in tables 164-170:

- Plan participation requirements;
- Investment choices;

- Vesting schedules;
- Transfer and rollover provision;
- Availability of withdrawals and loans; and
- Distributions at retirement.

The growth of 401(k) plans has helped to expand the defined contribution plan as a savings vehicle for retirement. Unlike some defined contribution plans, 401(k) plans normally require employee contributions as a condition of participation and then require the employee to decide how much pay to save. Finally, the participant must determine where to invest the aggregated funds, including matching employer contributions, to enhance retirement income.

### —ENDNOTES—

<sup>30</sup> Data taken from U.S. Department of Labor, Pension and Welfare Benefits Administration, *Private Pension Plan Bulletin*, No. 6, Winter 1997.

<sup>31</sup> Such withdrawals, while permitted by the plan, may trigger current income tax liability and tax penalties for the recipient.

<sup>32</sup> Information was not collected on stock purchase and stock option plans in the 1995 EBS. They are considered separate employee benefits rather than defined contribution plans designed for retirement purposes.

<sup>33</sup> For more information on savings and thrift contributions and benefits, see Michael Bucci, "Contributions to Savings and Thrift Plans," *Monthly Labor Review*, November 1990, pp. 28-36.

<sup>34</sup> Profit-sharing plans that pay all benefits directly to the participants in cash are not considered defined contribution plans; they are reported in chapter 1.

<sup>35</sup> Stock purchase plans and stock option plans are considered separate employee benefits. Currently, they are not being studied.

<sup>36</sup> For 401(k) plans with no employer contribution, participants are those workers actually making pretax contributions. For other plans, participants are those workers in plans offering cash or deferred arrangements, whether or not workers actually made pretax contributions.

**Table 135. Savings and thrift plans: Summary of provisions, full-time employees, medium and large private establishments, 1995**

Item	All employees	Professional, technical, and related employees	Clerical and sales employees	Blue-collar and service employees
Number (in thousands) with savings and thrift plans .....	13,562	4,702	3,788	5,072
	Percent			
Total with savings and thrift plans .....	100	100	100	100
Pre-tax contributions allowed <sup>1</sup> .....	90	92	89	91
Transfer/rollover contributions allowed .....	37	43	42	28
Employee choice of investments for employee contributions .....	74	79	77	68
Employee choice of investments for employer contributions .....	58	64	56	53
Immediate full vesting .....	33	33	31	33
Loans permitted .....	44	46	48	40
Withdrawals permitted .....	43	46	50	35

<sup>1</sup> Participants in savings and thrift plans usually are allowed to make pretax contributions. In the 1995 survey, provisions governing pretax contributions were not determinable for about one-tenth of the employees with savings and thrift plans.

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

**Table 136. Savings and thrift plans: Transfer and rollover provisions,<sup>1</sup> full-time employees, medium and large private establishments, 1995**

Item	All employees	Professional, technical, and related employees	Clerical and sales employees	Blue-collar and service employees
Number (in thousands) with savings and thrift plans .....	13,562	4,702	3,788	5,072
	Percent			
Total with savings and thrift plans .....	100	100	100	100
Transfers/rollovers allowed ...	37	43	42	28
Transfers/rollovers not allowed .....	48	45	44	54
Not determinable .....	15	13	13	17

<sup>1</sup> Relates to the allowance of transfers/rollovers of contributions and earnings from the previous employer's plan.

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

**Table 137. Savings and thrift plans: Maximum employee contributions,<sup>1</sup> full-time employees, medium and large private establishments, 1995**

Maximum employee contributions	All employees	Professional, technical, and related employees	Clerical and sales employees	Blue-collar and service employees
Number (in thousands) with savings and thrift plans .....	13,562	4,702	3,788	5,072
	Percent			
Total with savings and thrift plans .....	100	100	100	100
Percent of employee earnings .....	83	84	85	80
5 percent or less .....	2	1	2	3
6 percent .....	2	2	3	1
7 percent .....	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )
8 percent .....	2	3	1	1
9 percent .....	1	1	1	1
10 percent .....	10	5	10	14
11 percent .....	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )
12 percent .....	10	10	6	12
13 percent .....	1	2	1	1
14 percent .....	2	1	1	2
15 percent .....	21	19	26	18
16 percent .....	18	18	21	15
17 percent .....	3	3	3	4
17.01 - 17.99 percent .....	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )
18 percent .....	4	5	4	3
18.01 - 18.99 percent .....	( <sup>2</sup> )	( <sup>2</sup> )	-	( <sup>2</sup> )
19 percent .....	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )
20 percent .....	5	7	4	4
20.01 - 24.99 percent .....	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )
25 percent or more .....	1	4	( <sup>2</sup> )	( <sup>2</sup> )
Specified dollar amount .....	1	( <sup>2</sup> )	( <sup>2</sup> )	1
Up to the Internal Revenue Code limit .....	14	14	11	16
Not determinable .....	3	2	4	3
	Average <sup>3</sup>			
Average maximum contribution (percent of earnings) .....	14.3	15.2	14.2	13.6

<sup>1</sup> Includes contributions that are not matched by the employer. If maximum contributions vary, such as by length of service, the highest possible contribution was tabulated.

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

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

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

**Table 138. Savings and thrift plans: Method of determining pretax contribution, full-time employees, medium and large private establishments, 1995**

Pretax contributions	All employees	Professional, technical, and related employees	Clerical and sales employees	Blue-collar and service employees
Number (in thousands) with savings and thrift plans .....	13,562	4,702	3,788	5,072
	Percent			
Total with savings and thrift plans .....	100	100	100	100
Pretax contributions allowed	90	92	89	91
All contributions must be pretax .....	52	48	50	58
All contributions may be pretax .....	26	31	23	24
Contributions up to specified percent may be pretax .....	6	9	5	4
Initial contributions must be pretax; additional contributions can not be pretax .....	5	2	10	4
Initial contributions must be pretax; all additional contributions may be pretax .....	1	1	1	1
Initial contributions must be pretax; additional contributions up to a specified percent may be pretax .....	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )
Other .....	( <sup>1</sup> )	-	( <sup>1</sup> )	-
No pretax contributions allowed .....	1	( <sup>1</sup> )	2	( <sup>1</sup> )
Not determinable .....	9	8	10	9

<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 139. Savings and thrift plans: Maximum pretax employee contributions,<sup>1</sup> full-time employees, medium and large private establishments, 1995**

	All employees	Professional, technical, and related employees	Clerical and sales employees	Blue-collar and service employees
Maximum pretax contributions				
Number (in thousands) with savings and thrift plans that allow pretax contributions ...	12,267	4,303	3,359	4,605
	Percent			
Total with savings and thrift plans that allow pretax contributions .....	100	100	100	100
Percent of employee earnings .....	84	85	86	81
5 percent or less .....	3	2	2	3
6 percent .....	4	3	10	2
7 percent .....	( <sup>2</sup> )	1	1	( <sup>2</sup> )
8 percent .....	4	5	5	3
9 percent .....	1	1	1	1
9.01 - 9.99 percent .....	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )
10 percent .....	12	8	12	16
11 percent .....	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )
12 percent .....	10	11	5	13
13 percent .....	2	2	1	2
14 percent .....	2	2	1	3
15 percent .....	22	19	28	20
16 percent .....	14	16	12	13
17 percent .....	( <sup>2</sup> )	( <sup>2</sup> )	1	( <sup>2</sup> )
17.01 - 17.99 percent .....	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )
18 percent .....	3	5	3	2
18.01 - 18.99 percent .....	( <sup>2</sup> )	( <sup>2</sup> )	-	( <sup>2</sup> )
19 percent .....	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )
20 percent .....	5	10	3	2
25 percent or more .....	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )
Specified dollar amount .....	1	( <sup>2</sup> )	( <sup>2</sup> )	1
Up to the Internal Revenue Code limit .....	15	15	11	18
Not determinable .....	1	( <sup>2</sup> )	2	( <sup>2</sup> )
	Average <sup>3</sup>			
Average maximum pretax contribution (percent of earnings) .....	13.2	14.0	12.6	12.9

<sup>1</sup> Includes contributions that are not matched by the employer. If maximum contributions vary, such as by length of service, the highest possible contribution was tabulated.

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

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

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

**Table 140. Savings and thrift plans: Methods of employer matching contributions, full-time employees, medium and large private establishments, 1995**

Employer matching rates	All employees	Professional, technical, and related employees	Clerical and sales employees	Blue-collar and service employees
Number (in thousands) with savings and thrift plans .....	13,562	4,702	3,788	5,072
	Percent			
Total with savings and thrift plans .....	100	100	100	100
Specified matching percent <sup>1</sup>	84	81	84	88
Varies by service .....	4	7	4	3
Varies by amount of contribution .....	9	10	9	7
Varies by investment choice	1	( <sup>2</sup> )	( <sup>2</sup> )	1
Varies by profit level .....	2	2	3	1

<sup>1</sup> These are plans where the employer matches a specified percent of employee contributions. For example, the employer matches 50 percent of employee earnings up to 6 percent.

<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 141. Savings and thrift plans: Employee contributions by employer specified matching percentage, full-time employees, medium and large private establishments, 1995**

Employee contribution <sup>1</sup>	Total <sup>2</sup>	Specified matching percentage			
		1 - 49 percent	50 percent	51 - 99 percent	100 percent
<b>Percent</b>					
<b>All employees</b>					
Total .....	100	22	45	14	17
Up to the first:					
0.01 - 2.00 percent .....	6	1	3	( <sup>3</sup> )	2
2.01 - 3.00 percent .....	13	2	4	( <sup>3</sup> )	6
3.01 - 4.00 percent .....	11	5	4	( <sup>3</sup> )	2
4.01 - 5.00 percent .....	10	3	3	2	2
5.01 - 6.00 percent .....	47	8	27	8	4
6.01 - 7.00 percent .....	1	-	( <sup>3</sup> )	( <sup>3</sup> )	( <sup>3</sup> )
7.01 - 8.00 percent .....	7	1	3	3	( <sup>3</sup> )
8.01 - 9.00 percent .....	( <sup>3</sup> )	-	( <sup>3</sup> )	-	( <sup>3</sup> )
9.01 - 10.00 percent .....	3	1	1	1	( <sup>3</sup> )
11.01 - 12.00 percent ...	( <sup>3</sup> )	-	( <sup>3</sup> )	-	-
Greater than 12 percent	1	1	( <sup>3</sup> )	-	-
<b>Professional, technical, and related</b>					
Total .....	100	18	47	16	16
Up to the first:					
0.01 - 2.00 percent .....	4	1	1	( <sup>3</sup> )	2
2.01 - 3.00 percent .....	15	2	5	( <sup>3</sup> )	6
3.01 - 4.00 percent .....	8	2	3	( <sup>3</sup> )	2
4.01 - 5.00 percent .....	10	2	3	2	2
5.01 - 6.00 percent .....	46	9	27	7	2
6.01 - 7.00 percent .....	1	-	1	( <sup>3</sup> )	( <sup>3</sup> )
7.01 - 8.00 percent .....	12	( <sup>3</sup> )	6	5	( <sup>3</sup> )
8.01 - 9.00 percent .....	( <sup>3</sup> )	-	( <sup>3</sup> )	-	( <sup>3</sup> )
9.01 - 10.00 percent .....	2	( <sup>3</sup> )	1	1	( <sup>3</sup> )
11.01 - 12.00 percent ...	( <sup>3</sup> )	-	( <sup>3</sup> )	-	-
Greater than 12 percent	1	1	-	-	-
<b>Clerical and sales</b>					
Total .....	100	19	42	14	24
Up to the first:					
0.01 - 2.00 percent .....	5	( <sup>3</sup> )	2	( <sup>3</sup> )	3
2.01 - 3.00 percent .....	12	3	3	( <sup>3</sup> )	6
3.01 - 4.00 percent .....	10	4	3	( <sup>3</sup> )	3
4.01 - 5.00 percent .....	11	4	3	1	2
5.01 - 6.00 percent .....	54	6	28	10	9
6.01 - 7.00 percent .....	1	-	( <sup>3</sup> )	( <sup>3</sup> )	( <sup>3</sup> )
7.01 - 8.00 percent .....	3	1	1	1	( <sup>3</sup> )
8.01 - 9.00 percent .....	( <sup>3</sup> )	-	( <sup>3</sup> )	-	( <sup>3</sup> )
9.01 - 10.00 percent .....	3	1	1	1	( <sup>3</sup> )
Greater than 12 percent	( <sup>3</sup> )	( <sup>3</sup> )	-	-	-

See footnotes at end of table.

**Table 141. Savings and thrift plans: Employee contributions by employer specified matching percentage, full-time employees, medium and large private establishments, 1995 — Continued**

Employee contribution <sup>1</sup>	Total <sup>2</sup>	Specified matching percentage			
		1 - 49 percent	50 percent	51 - 99 percent	100 percent
<b>Blue collar and service</b>					
Total .....	100	28	47	13	12
Up to the first:					
0.01 - 2.00 percent .....	8	1	5	( <sup>3</sup> )	2
2.01 - 3.00 percent .....	13	3	3	( <sup>3</sup> )	6
3.01 - 4.00 percent .....	14	8	5	( <sup>3</sup> )	1
4.01 - 5.00 percent .....	9	2	4	2	1
5.01 - 6.00 percent .....	43	8	27	6	2
6.01 - 7.00 percent .....	( <sup>3</sup> )	-	( <sup>3</sup> )	( <sup>3</sup> )	( <sup>3</sup> )
7.01 - 8.00 percent .....	6	3	2	2	-
8.01 - 9.00 percent .....	( <sup>3</sup> )	-	( <sup>3</sup> )	-	( <sup>3</sup> )
9.01 - 10.00 percent .....	4	3	( <sup>3</sup> )	1	( <sup>3</sup> )
Greater than 12 percent	1	1	( <sup>3</sup> )	-	-

<sup>1</sup> Employee may contribute a percent of salary up to a specified maximum; ceilings on contributions to be matched by employers generally are lower.

<sup>2</sup> Total includes workers with an employer matching percentage of greater than 100 percent, but those matching percentages are not presented separately.

<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 142. Savings and thrift plans: Discretionary profit-sharing contributions,<sup>1</sup> full-time employees, medium and large private establishments, 1995**

Item	All employees	Professional, technical, and related employees	Clerical and sales employees	Blue-collar and service employees
Number (in thousands) with savings and thrift plans .....	13,562	4,702	3,788	5,072
	Percent			
Total with savings and thrift plans .....	100	100	100	100
With discretionary profit-sharing contributions .....	13	11	15	14
No discretionary profit-sharing contributions .....	77	79	77	75
Not determinable .....	10	10	8	11

<sup>1</sup> Employer contributions in addition to matching funds, provided at employer discretion based on profitability.

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

**Table 143. Savings and thrift plans: Investment choices, full-time employees, medium and large private establishments, 1995**

Investment choices	All employees		Professional, technical, and related employees		Clerical and sales employees		Blue-collar and service employees	
	Employee contributions	Employer contributions	Employee contributions	Employer contributions	Employee contributions	Employer contributions	Employee contributions	Employer contributions
Number (in thousands) with savings and thrift plans .....	13,562	13,562	4,702	4,702	3,788	3,788	5,072	5,072
	Percent							
Total with savings and thrift plans .....	100	100	100	100	100	100	100	100
Employee permitted to choose investments .....	74	58	79	64	77	56	68	53
Two choices .....	3	3	2	2	3	3	5	5
Three choices .....	13	10	13	12	14	10	12	9
Four choices .....	21	13	19	12	26	15	20	12
Five choices .....	11	10	17	16	11	12	5	4
Six choices .....	5	4	4	3	6	5	5	5
Seven choices .....	5	5	6	6	5	3	5	5
Eight choices .....	7	7	7	7	4	4	11	11
Nine choices .....	( <sup>1</sup> )	( <sup>1</sup> )	1	1	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )
Ten choices .....	4	2	5	2	3	1	3	2
More than ten choices .....	4	3	5	4	6	4	2	1
Employee not permitted to choose investments .....	7	24	5	19	6	27	10	25
Not determinable .....	18	18	16	16	17	17	22	22

<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 144. Savings and thrift plans: Types of investments allowed in plans permitting employees to choose investments, full-time employees, medium and large private establishments, 1995**

Investment	All employees		Professional, technical, and related employees		Clerical and sales employees		Blue-collar and service employees	
	Employee contributions	Employer contributions	Employee contributions	Employer contributions	Employee contributions	Employer contributions	Employee contributions	Employer contributions
Number (in thousands) with savings and thrift plans .....	13,562	13,562	4,702	4,702	3,788	3,788	5,072	5,072
	Percent							
Total with savings and thrift plans .....	100	100	100	100	100	100	100	100
Total with employee investment choice								
allowed .....	74	58	79	64	77	56	68	53
Company stock .....	40	27	42	29	40	25	39	27
Common stock fund .....	59	48	64	55	60	47	53	42
Long-term interest bearing securities .....	48	36	54	43	50	36	40	31
Diversified stock and bond fund .....	41	31	47	38	43	31	33	25
Government securities .....	17	13	19	15	11	8	19	15
Guaranteed investment contracts .....	25	20	24	21	22	16	28	23
Money market funds .....	30	25	34	29	22	18	32	28
Certificates of deposit .....	4	2	5	1	5	3	3	1
Other <sup>1</sup> .....	19	15	19	15	18	14	19	16
Determinable by trustee ...	( <sup>2</sup> )	-	( <sup>2</sup> )	-	( <sup>2</sup> )	-	( <sup>2</sup> )	-
Not determinable .....	5	4	5	4	6	4	4	4
Investment choice not allowed .....	7	24	5	19	6	27	10	25
Investment choice not determinable .....	18	18	16	16	17	17	22	22

<sup>1</sup> Includes purchase of life insurance, annuities, real estate, mortgage, and deposits in credit unions or savings accounts.

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

NOTE: Sums of individual items do not equal totals because employees are often offered a number of investment choices. Where applicable, dash indicates no employees in this category.

**Table 145. Savings and thrift plans: Method of allocating contributions to investment options, full-time employees, medium and large private establishments, 1995**

Item	All employees		Professional, technical, and related employees		Clerical and sales employees		Blue-collar and service employees	
	Employee contributions	Employer contributions	Employee contributions	Employer contributions	Employee contributions	Employer contributions	Employee contributions	Employer contributions
Number (in thousands) with savings and thrift plans .....	13,562	13,562	4,702	4,702	3,788	3,788	5,072	5,072
	Percent							
Total with savings and thrift plans .....	100	100	100	100	100	100	100	100
Total with employee investment choice								
allowed .....	74	58	79	64	77	56	68	53
Any multiple .....	34	27	38	31	35	23	31	26
Specified multiples .....	35	26	38	29	37	27	32	21
Other .....	1	2	1	1	1	2	2	2
Not determinable .....	4	4	3	3	4	4	4	4
Investment choice not allowed .....	7	24	5	19	6	27	10	25
Investment choice not determinable .....	18	18	16	16	17	17	22	22

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

**Table 146. Savings and thrift plans: Frequency of investment changes, full-time employees, medium and large private establishments, 1995**

Item	All employees		Professional, technical, and related employees		Clerical and sales employees		Blue-collar and service employees	
	Employee contributions	Employer contributions	Employee contributions	Employer contributions	Employee contributions	Employer contributions	Employee contributions	Employer contributions
Number (in thousands) with savings and thrift plans .....	13,562	13,562	4,702	4,702	3,788	3,788	5,072	5,072
	Percent							
Total with savings and thrift plans .....	100	100	100	100	100	100	100	100
Total with employee investment choice								
allowed .....	74	58	79	64	77	56	68	53
At any time .....	38	32	43	37	34	25	37	32
Specified number of times per year .....	31	21	32	23	38	27	25	15
One .....	3	2	4	3	3	2	3	2
Two .....	7	5	9	6	6	4	5	5
Three .....	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )
Four .....	13	10	12	9	18	15	10	6
Five or more .....	8	4	7	5	11	6	7	2
Other .....	1	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	1	( <sup>1</sup> )
Never .....	-	( <sup>1</sup> )	-	( <sup>1</sup> )	-	1	-	( <sup>1</sup> )
Not determinable .....	5	5	4	4	5	4	5	6
Investment choice not allowed .....	7	24	5	19	6	27	10	25
Investment choice not determinable .....	18	18	16	16	17	17	22	22

<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 147. Savings and thrift plans: Withdrawal availability, full-time employees, medium and large private establishments, 1995**

Withdrawal provision	All employees	Professional, technical, and related employees	Clerical and sales employees	Blue-collar and service employees
Number (in thousands) with savings and thrift plans .....	13,562	4,702	3,788	5,072
	Percent			
Total with savings and thrift plans .....	100	100	100	100
Withdrawals permitted .....	43	46	50	35
Any reason .....	16	19	20	9
Hardship reasons only <sup>1</sup> ....	28	27	30	27
Withdrawals not permitted ....	43	41	36	49
Not determinable .....	14	13	14	15

<sup>1</sup> Hardship reasons may include death or illness of a family member, education expenses, sudden uninsured losses, or purchase of a primary residence.

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

**Table 148. Savings and thrift plans: Withdrawal requirements in plans permitting withdrawals, full-time employees, medium and large private establishments, 1995**

Item	All employees	Professional, technical, and related employees	Clerical and sales employees	Blue-collar and service employees
Number (in thousands) with savings and thrift plans with withdrawals permitted .....	5,883	2,183	1,902	1,799
	Percent			
Total with savings and thrift plans with withdrawals permitted .....	100	100	100	100
At any time .....	41	38	44	40
After meeting an age and/or service requirement .....	9	13	7	5
Once per time period .....	32	32	28	34
Other limit .....	9	7	15	5
Not determinable .....	10	9	7	16

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

**Table 149. Savings and thrift plans: Maximum amount that may be withdrawn in plans permitting withdrawals, full-time employees, medium and large private establishments, 1995**

Maximum amount of withdrawal	All employees	Professional, technical, and related employees	Clerical and sales employees	Blue-collar and service employees
Number (in thousands) with savings and thrift plans with withdrawals permitted .....	5,883	2,183	1,902	1,799
	Percent			
Total with savings and thrift plans with withdrawals permitted .....	100	100	100	100
Full account balance .....	53	55	66	38
Partial account balance .....	38	37	26	51
Not determinable .....	9	8	7	11

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

**Table 150. Savings and thrift plans: Penalties imposed upon withdrawal of funds in plans permitting withdrawals, full-time employees, medium and large private establishments, 1995**

Penalties for withdrawals	All employees	Professional, technical, and related employees	Clerical and sales employees	Blue-collar and service employees
Number (in thousands) with savings and thrift plans with withdrawals permitted .....	5,883	2,183	1,902	1,799
	Percent			
Total with savings and thrift plans with withdrawals permitted .....	100	100	100	100
With penalty .....	44	40	49	43
Employer contributions suspended .....	21	22	23	18
All contributions suspended .....	18	13	21	19
Other .....	5	4	5	6
No penalty .....	44	50	44	38
Not determinable .....	12	10	6	20

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

**Table 151. Savings and thrift plans: Loan availability, full-time employees, medium and large private establishments, 1995**

Loan availability	All employees	Professional, technical, and related employees	Clerical and sales employees	Blue-collar and service employees
Number (in thousands) with savings and thrift plans .....	13,562	4,702	3,788	5,072
	Percent			
Total with savings and thrift plans .....	100	100	100	100
Loans permitted .....	44	46	48	40
Any reason .....	41	44	43	37
Hardship reasons only <sup>1</sup> ....	3	3	5	2
Loans not permitted .....	42	41	38	45
Not determinable .....	14	13	14	15

<sup>1</sup> Hardship reasons may include death or illness of a family member, education expenses, sudden uninsured losses, or purchase of a primary residence.

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

**Table 152. Savings and thrift plans: Loan requirements in plans permitting loans, full-time employees, medium and large private establishments, 1995**

Loan provision	All employees	Professional, technical, and related employees	Clerical and sales employees	Blue-collar and service employees
Number (in thousands) with savings and thrift plans with loans permitted .....	6,003	2,182	1,816	2,004
	Percent			
Total with savings and thrift plans with loans permitted ..	100	100	100	100
At any time .....	57	54	51	65
After meeting an age/or service requirement .....	2	1	3	2
Once per time period .....	36	40	38	31
Other limit .....	3	4	5	2
Not determinable .....	2	2	3	1

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

**Table 153. Savings and thrift plans: Maximum amount that may be borrowed in plans permitting loans, full-time employees, medium and large private establishments, 1995**

Loan provision	All employees	Professional, technical, and related employees	Clerical and sales employees	Blue-collar and service employees
Number (in thousands) with savings and thrift plans with loans permitted .....	6,003	2,182	1,816	2,004
	Percent			
Total with savings and thrift plans with loans permitted ..	100	100	100	100
Full account balance available .....	5	4	8	5
Partial account balance available .....	91	94	89	90
Not determinable .....	4	3	4	5

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

**Table 154. Savings and thrift plans: Repayment provisions in plans permitting loans, full-time employees, medium and large private establishments, 1995**

Repayment provisions	All employees	Professional, technical, and related employees	Clerical and sales employees	Blue-collar and service employees
Number (in thousands) with savings and thrift plans with loans permitted .....	6,003	2,182	1,816	2,004
	Percent			
Total with savings and thrift plans with loans permitted ..	100	100	100	100
Repayment after specified period .....	80	82	81	78
For purchase of a home <sup>1</sup> ..	43	51	39	37
Less than 15 years .....	16	12	20	16
15 years .....	13	17	11	12
20 years .....	6	11	3	2
25 years .....	5	7	2	4
Greater than 25 years ...	1	1	2	1
Not determinable .....	3	3	2	3
For any reason .....	38	30	43	41
Less than 5 years .....	17	11	16	23
5 years .....	21	19	27	17
Greater than 5 years and less than 10 years .....	( <sup>2</sup> )	-	( <sup>2</sup> )	1
At discretion of plan administrators .....	4	3	3	5
Other .....	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )
Not determinable .....	15	15	15	16

<sup>1</sup> Plan specifies longer repayment period for purchase of a home than for other reasons.

<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 155. Savings and thrift plans: Methods of distribution, full-time employees, medium and large private establishments, 1995**

Methods of distribution <sup>1</sup>	All employees	Professional, technical, and related employees	Clerical and sales employees	Blue-collar and service employees
Number (in thousands) with savings and thrift plans .....	13,562	4,702	3,788	5,072
	Percent			
Total with savings and thrift plans .....	100	100	100	100
Lump sum .....	85	87	84	83
Annuity .....	17	18	15	18
Installments .....	30	32	24	32
Other .....	2	3	3	1
Not determinable .....	7	7	8	7

<sup>1</sup> Sums of individual items may exceed totals because plans frequently permit more than one distribution option.

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

**Table 156. Savings and thrift plans: Service requirements<sup>1</sup>, full-time employees, medium and large private establishments, 1995**

Eligibility requirements <sup>2</sup>	All employees	Professional, technical, and related employees	Clerical and sales employees	Blue-collar and service employees
Number (in thousands) with savings and thrift plans .....	13,562	4,702	3,788	5,072
	Percent			
Total with savings and thrift plans .....	100	100	100	100
With minimum service requirement .....	67	61	80	62
3 months .....	3	5	2	1
6 months .....	8	5	7	10
7 - 11 months .....	( <sup>3</sup> )	( <sup>3</sup> )	-	( <sup>3</sup> )
1 year .....	55	49	68	49
2 years .....	2	2	2	1
3 years .....	( <sup>3</sup> )	( <sup>3</sup> )	( <sup>3</sup> )	( <sup>3</sup> )
No minimum service requirement .....	26	32	15	29
Not determinable .....	7	7	5	9
	Average <sup>4</sup>			
Average service requirement (in months) .....	11.3	11.2	11.5	11.2

<sup>1</sup> In many of these plans, there is also an age requirement. For example, some plans have participation requirements of age 21 and 12 months of service. This table's eligibility requirements are based on when the employee can first join the plan, not when the employer first begins contributing. In past surveys the eligibility requirements were based on when the employer first contributes to the plan. Thus this table is not strictly comparable to the same table from past surveys.

<sup>2</sup> If a plan had alternate eligibility requirements, one of which was service only, the service only requirement was tabulated.

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

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

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

**Table 157. Savings and thrift plans: Vesting provisions, full-time employees, medium and large private establishments, 1995**

Vesting provision	All employees	Professional, technical, and related employees	Clerical and sales employees	Blue-collar and service employees
Number (in thousands) with savings and thrift plans .....	13,562	4,702	3,788	5,072
	Percent			
Total with with savings and thrift plans .....	100	100	100	100
Immediate full vesting .....	33	33	31	33
Cliff vesting <sup>1</sup> .....	25	26	24	24
With full vesting after:				
1 -2 years .....	1	1	1	2
3 - 4 years .....	5	5	9	3
5 years .....	18	20	14	18
More than 5 years .....	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	1
Graduated vesting <sup>3</sup> .....	24	24	27	22
With full vesting after:				
4 years or less .....	3	2	4	4
5 years .....	12	14	16	9
6 years .....	3	4	3	2
7 years .....	5	5	4	7
10 years .....	( <sup>2</sup> )	( <sup>2</sup> )	-	( <sup>2</sup> )
Class years vesting <sup>4</sup> .....	2	2	1	2
With each class vested after:				
1 year .....	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	1
2 years .....	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )
3 years .....	1	2	( <sup>2</sup> )	1
More than 3 years .....	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )
Other .....	1	( <sup>2</sup> )	2	1
Not determinable .....	15	13	15	18

<sup>1</sup> Under cliff vesting, an employee is not entitled to any benefits until satisfying requirements for 100 percent vesting.

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

<sup>3</sup> Under graduated vesting, an employee's rights to benefits increase with length of service, eventually reaching 100 percent.

<sup>4</sup> Under class year vesting, employee contributions for a given year (class) become nonforfeitable after meeting vesting requirements. Subsequent contributions must meet similar requirements.

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

**Table 158. Deferred profit-sharing plans: Employer contributions, full-time employees, medium and large private establishments, 1995**

Employer contributions	All employees	Professional, technical, and related employees	Clerical and sales employees	Blue-collar and service employees
Number (in thousands) with deferred profit-sharing plans	4,205	1,306	1,235	1,664
	Percent			
Total with deferred profit-sharing plans .....	100	100	100	100
Based on stated formula .....	62	59	49	73
Fixed percent of profits .....	24	30	16	25
Based on unit profitability	4	4	5	3
Fixed percent of profits in excess of reserved amount .....	4	4	4	5
Sliding percentage based on profits, sales, or return on assets .....	21	14	15	31
Other stated formula .....	8	7	9	9
No predetermined formula .....	31	36	41	19
Not determinable .....	8	6	10	7

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

**Table 159. Deferred profit-sharing plans: Allocation of employer contributions to individual employee accounts, full-time employees, medium and large private establishments, 1995**

Allocation of employer contributions	All employees	Professional, technical, and related employees	Clerical and sales employees	Blue-collar and service employees
Number (in thousands) with deferred profit-sharing plans	4,205	1,306	1,235	1,664
	Percent			
Total with deferred profit-sharing plans .....	100	100	100	100
Equally to all participants .....	6	3	5	9
Proportional to earnings .....	56	61	46	61
Proportional to employee contributions .....	17	18	20	14
Based on earnings and service .....	7	8	5	7
Based on earnings and unit performance .....	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	-
Other allocation formula .....	3	1	6	3
Allocation formula not available .....	11	10	18	5
Employee permitted to receive part of allocation in cash .....	15	14	10	19

<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 160. Deferred profit sharing plans: Selected plan features, full-time employees, medium and large private establishments, 1995**

Item	All employees	Professional, technical, and related employees	Clerical and sales employees	Blue-collar and service employees
Number (in thousands) with deferred profit sharing plans	4,205	1,306	1,235	1,664
	Percent			
Total with deferred profit sharing plans .....	100	100	100	100
Loans permitted .....	33	38	28	34
Withdrawals permitted .....	24	16	30	25
Employee contributions required .....	6	6	12	2
Employee contribution not required but allowed .....	36	29	27	47
Pretax contributions allowed	38	30	40	43
Employee permitted to choose investments .....	55	63	50	54

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

**Table 161. Deferred profit-sharing: Service requirements<sup>1</sup>, full-time employees, medium and large private establishments, 1995**

Eligibility requirements <sup>2</sup>	All employees	Professional, technical, and related employees	Clerical and sales employees	Blue-collar and service employees
Number (in thousands) with deferred profit-sharing plans	4,205	1,306	1,235	1,664
	Percent			
Total with deferred profit-sharing plans .....	100	100	100	100
With minimum service requirement .....	76	84	78	67
3 months .....	2	2	1	4
6 months .....	6	9	2	7
1 year .....	59	66	72	45
2 years .....	7	7	3	10
3 years .....	1	( <sup>3</sup> )	1	1
No minimum service requirement .....	24	16	21	33
Not determinable .....	( <sup>3</sup> )	( <sup>3</sup> )	( <sup>3</sup> )	-
	Average <sup>4</sup>			
Average service requirement (in months) .....	12.5	12.1	12.5	13.0

<sup>1</sup> In many of these plans, there is also an age requirement. For example, some plans have participation requirements of age 21 and 12 months of service. This table's eligibility requirements are based on when the employee can first join the plan, not when the employer first begins contributing. In past surveys the eligibility requirements were based on when the employer first contributes to the plan. Thus this table is not strictly comparable to the same table from past surveys.

<sup>2</sup> If a plan had alternate eligibility requirements, one of which was service only, the service only requirement was tabulated.

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

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

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

**Table 162. Deferred profit-sharing plans: Vesting provisions, full-time employees, medium and large private establishments, 1995**

Vesting provision	All employees	Professional, technical, and related employees	Clerical and sales employees	Blue-collar and service employees
Number (in thousands) with deferred profit-sharing plans	4,205	1,306	1,235	1,664
	Percent			
Total with deferred profit-sharing plans .....	100	100	100	100
Immediate full vesting .....	37	30	31	49
Cliff vesting <sup>1</sup> .....	22	30	24	14
With full vesting after:				
1 -2 years .....	2	5	2	-
3 - 4 years .....	2	5	1	1
5 years .....	17	20	20	13
More than 5 years .....	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	1
Graduated vesting <sup>3</sup> .....	34	35	41	28
With full vesting after:				
4 years or less .....	1	1	1	2
5 years .....	4	2	11	1
6 years .....	10	14	15	2
7 years .....	18	18	13	21
More than 10 years .....	1	-	( <sup>2</sup> )	2
Other .....	( <sup>2</sup> )	( <sup>2</sup> )	-	( <sup>2</sup> )
Not determinable .....	6	6	4	8

<sup>1</sup> Under cliff vesting, an employee is not entitled to any benefits until satisfying requirements for 100 percent vesting.

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

<sup>3</sup> Under graduated vesting, an employee's rights to benefits increase with length of service, eventually reaching 100 percent.

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

**Table 163. 401(k) salary reduction plans: Maximum pretax employee contributions,<sup>1</sup> full-time employees, medium and large private establishments, 1995**

	All employees	Professional, technical, and related employees	Clerical and sales employees	Blue-collar and service employees
Maximum pretax contributions				
Number (in thousands) with 401(k) salary reduction plans .....	14,646	5,056	3,979	5,611
	Percent			
Total with 401(k) pretax salary reduction plans .....	100	100	100	100
Percent of employee earnings .....	83	83	85	81
5 percent or less .....	4	3	4	3
5.01 - 5.99 percent .....	( <sup>2</sup> )	( <sup>2</sup> )	-	-
6 percent .....	4	2	10	2
7 percent .....	( <sup>2</sup> )	( <sup>2</sup> )	1	( <sup>2</sup> )
8 percent .....	5	5	5	5
9 percent .....	1	1	1	1
9.01 - 9.99 percent .....	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )
10 percent .....	12	9	12	15
11 percent .....	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )
12 percent .....	10	11	5	12
13 percent .....	1	2	1	1
13.01 - 13.99 percent .....	( <sup>2</sup> )	( <sup>2</sup> )	-	( <sup>2</sup> )
14 percent .....	2	2	1	2
15 percent .....	20	17	26	19
16 percent .....	12	14	10	11
17 percent .....	1	1	3	1
17.01 - 17.99 percent .....	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )
18 percent .....	6	6	4	7
18.01 - 18.99 percent .....	( <sup>2</sup> )	( <sup>2</sup> )	-	( <sup>2</sup> )
19 percent .....	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )
20 percent .....	5	9	2	2
25 percent or more .....	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )
Specified dollar amount .....	1	( <sup>2</sup> )	( <sup>2</sup> )	1
Up to the Internal Revenue Code limit .....	16	16	12	17
Not determinable .....	1	1	3	( <sup>2</sup> )
	Average <sup>3</sup>			
Average maximum pretax contribution (percent of earnings) .....	13.1	13.7	12.4	13.0

<sup>1</sup> Includes contributions that are not matched by the employer. If maximum contributions vary, such as by length of service, the highest possible contribution was tabulated.

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

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

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

**Table 164. 401(k) salary reduction plans: Service requirements,<sup>1</sup> full-time employees, medium and large private establishments, 1995**

Eligibility requirements <sup>2</sup>	All employees	Professional, technical, and related employees	Clerical and sales employees	Blue-collar and service employees
Number (in thousands) with 401(k) salary reduction plans .....	14,646	5,056	3,979	5,611
	Percent			
Total with 401(k) salary reduction plans .....	100	100	100	100
With minimum service requirement .....	67	63	82	61
3 months .....	3	4	2	2
6 months .....	8	6	7	10
7 - 11 months .....	( <sup>3</sup> )	( <sup>3</sup> )	-	( <sup>3</sup> )
1 year .....	52	48	69	44
2 years .....	3	3	3	4
3 years .....	1	1	1	1
Over 3 years .....	( <sup>3</sup> )	( <sup>3</sup> )	( <sup>3</sup> )	-
No minimum service requirement .....	27	32	16	32
Not determinable .....	5	5	3	7
	Average <sup>4</sup>			
Average service requirement (in months) .....	11.8	11.9	11.8	11.8

<sup>1</sup> In many of these plans, there is also an age requirement. For example, some plans have participation requirements of age 21 and 12 months of service. This table's eligibility requirements are based on when the employee can first join the plan, not when the employer first begins contributing. In past surveys the eligibility requirements were based on when the employer first contributes to the plan. Thus this table is not strictly comparable to the same table from past surveys.

<sup>2</sup> If a plan had alternate eligibility requirements, one of which was service only, the service only requirement was tabulated.

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

<sup>4</sup> The averages are presented for all covered workers; averages exclude workers without the plan provision.

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

**Table 165. 401(k) salary reduction plans: Investment choices, full-time employees, medium and large private establishments, 1995**

Investment choices for employer contributions	All employees		Professional, technical, and related employees		Clerical and sales employees		Blue-collar and service employees	
	Employee contributions	Employer contributions	Employee contributions	Employer contributions	Employee contributions	Employer contributions	Employee contributions	Employer contributions
Number (in thousands) with 401(k) salary reduction plans .....	14,646	14,646	5,056	5,056	3,979	3,979	5,611	5,611
	Percent							
Total with 401(k) salary reduction plans .....	100	100	100	100	100	100	100	100
Employee permitted to choose investments .....	83	64	87	70	85	62	77	61
Two choices .....	4	3	4	2	3	3	5	4
Three choices .....	15	11	14	12	19	13	13	9
Four choices .....	26	16	23	14	27	17	29	17
Five choices .....	11	13	19	18	11	12	5	8
Six choices .....	6	5	5	5	7	6	5	5
More than six choices .....	20	17	23	19	17	12	20	18
Employee not permitted to choose investments .....	8	26	5	22	7	31	11	27
Not determinable .....	9	9	8	8	7	7	11	11

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

**Table 166. 401(k) salary reduction plans: Vesting provisions, full-time employees, medium and large private establishments, 1995**

Vesting provision	All employees	Professional, technical, and related employees	Clerical and sales employees	Blue-collar and service employees
Number (in thousands) with 401(k) salary reduction plans .....	14,646	5,056	3,979	5,611
	Percent			
Total with 401(k) salary reduction plans .....	100	100	100	100
Immediate full vesting .....	39	40	35	41
Cliff vesting <sup>1</sup> .....	24	26	23	23
With full vesting after:				
1 -2 years .....	1	1	1	2
3 - 4 years .....	5	4	9	3
5 years .....	17	20	13	17
More than 5 years .....	1	( <sup>2</sup> )	( <sup>2</sup> )	1
Graduated vesting <sup>3</sup> .....	27	26	32	24
With full vesting after:				
4 years or less .....	3	2	4	4
5 years .....	13	14	18	9
6 years .....	3	4	4	2
7 years .....	7	6	6	9
10 years .....	( <sup>2</sup> )	( <sup>2</sup> )	-	( <sup>2</sup> )
Class years vesting <sup>4</sup> .....	2	2	1	2
With each class vested after:				
1 year .....	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	1
2 years .....	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )
3 years .....	1	1	( <sup>2</sup> )	1
More than 3 years .....	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )
Other .....	1	1	2	1
Not determinable .....	7	5	7	9

<sup>1</sup> Under cliff vesting, an employee is not entitled to any benefits until satisfying requirements for 100 percent vesting.

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

<sup>3</sup> Under graduated vesting, an employee's rights to benefits increase with length of service, eventually reaching 100 percent.

<sup>4</sup> Under class year vesting, employee contributions for a given year (class) become nonforfeitable after meeting vesting requirements. Subsequent contributions must meet similar requirements.

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

**Table 167. 401(k) salary reduction plans: Transfer and rollover provisions,<sup>1</sup> full-time employees, medium and large private establishments, 1995**

Item	All employees	Professional, technical, and related employees	Clerical and sales employees	Blue-collar and service employees
Number (in thousands) with 401(k) salary reduction plans .....	14,646	5,056	3,979	5,611
	Percent			
Total with 401(k) salary reduction plans .....	100	100	100	100
Transfers/rollovers allowed ...	38	43	44	28
Transfers/rollovers not allowed .....	52	50	48	57
Not determinable .....	10	7	8	15

<sup>1</sup> Relates to the allowance of transfers/rollovers of contributions and earnings from the previous employer's plan.

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

**Table 168. 401(k) salary reduction plans: Withdrawal availability, full-time employees, medium and large private establishments, 1995**

Withdrawal provision	All employees	Professional, technical, and related employees	Clerical and sales employees	Blue-collar and service employees
Number (in thousands) with 401(k) salary reduction plans .....	14,646	5,056	3,979	5,611
	Percent			
Total with 401(k) salary reduction plans .....	100	100	100	100
Withdrawals permitted .....	46	47	55	38
Any reason .....	16	19	23	9
Hardship reasons only <sup>1</sup> ....	30	28	32	29
Withdrawals not permitted ....	49	48	40	56
Not determinable .....	5	5	5	6

<sup>1</sup> Hardship reasons may include death or illness of a family member, education expenses, sudden uninsured losses, or purchase of a primary residence.

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

**Table 169. 401(k) salary reduction plans: Loan availability, full-time employees, medium and large private establishments, 1995**

Loan availability	All employees	Professional, technical, and related employees	Clerical and sales employees	Blue-collar and service employees
Number (in thousands) with 401(k) salary reduction plans .....	14,646	5,056	3,979	5,611
	Percent			
Total with 401(k) salary reduction plans .....	100	100	100	100
Loans permitted .....	49	49	52	46
Any reason .....	44	45	45	43
Hardship reasons only <sup>1</sup> ....	4	4	7	3
Loans not permitted .....	46	47	42	48
Not determinable .....	5	5	5	6

<sup>1</sup> Hardship reasons may include death or illness of a family member, education expenses, sudden uninsured losses, or purchase of a primary residence.

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

**Table 170. 401(k) salary reduction plans: Methods of distribution, full-time employees, medium and large private establishments, 1995**

Methods of distribution <sup>1</sup>	All employees	Professional, technical, and related employees	Clerical and sales employees	Blue-collar and service employees
Number (in thousands) with 401(k) salary reduction plans .....	14,646	5,056	3,979	5,611
	Percent			
Total with 401(k) salary reduction plans .....	100	100	100	100
Lump sum .....	92	95	90	90
Annuity .....	21	22	18	21
Installments .....	34	36	29	36
Other .....	7	11	4	5
Not determinable .....	9	7	8	11

<sup>1</sup> Sums of individual items may exceed totals because plans frequently permit more than one distribution option.

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

## Chapter 8.

# Flexible Benefits Plans and Reimbursement Accounts

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Employers have traditionally offered their workers benefit plans in a number of areas, such as medical care, life insurance, and retirement benefits. Employees can choose from among a number of plans in a given benefit area. For example, an employee may choose between a traditional fee-for-service medical plan and a health maintenance organization. In recent years, new approaches to offering benefits have emerged. BLS currently collects data on flexible benefits plans and reimbursement accounts. Both arrangements are governed by Internal Revenue Code section 125.<sup>37</sup>

Plans, also known as cafeteria plans, allow employees to design individual benefit packages by choosing from among several types of benefits. Over half of all full-time employees in medium and large private establishments are offered these plans (table 3). In a flexible benefits plan, employers provide each worker with “benefits credits.” These credits may equal a fixed dollar amount for each worker, or an amount that varies according to the employee’s earnings, length of service, size of family, or other characteristics. The employee then chooses from various benefits and benefit levels, using credits to purchase the desired benefits. If the credits are not sufficient to pay for the benefit, employees may have the option to fund the difference with pretax contributions.

Several options are usually available in flexible benefits plans, including various levels of life insurance, separate dental choices, participation in fee-for-service medical plans (with varying deductibles and out-of-pocket maximums) or in alternative medical plans (such as health maintenance organizations and preferred provider organizations), varying levels of accidental death and dismemberment insurance, and long-term disability insurance coverage. Employees covered by flexible benefits plans may receive cash in place of benefits or deposit unused credits into reimbursement accounts, a fund from which employees pay for expenses not covered by their regular benefits package. Or they may choose to purchase short-term disability coverage, deposit credits in a 401(k) plan, or buy and sell vacation days. Participants are often required

to purchase minimum levels of coverage, a basic level of life insurance, for example.

Reimbursement accounts are offered to a significant number of full-time employees in medium and large private establishments. Coverage for this type of account is more common among white-collar employees. These accounts are also called flexible spending accounts. Reimbursement accounts are usually funded by employee pretax contributions, although some accounts may be partially funded by employers. Reimbursement accounts may be part of a flexible benefits plan, or they may stand alone.

Many employees eligible for reimbursement accounts may allocate funds for health care deductibles, coinsurances, and the cost of services not covered by their medical care plan, such as dental expenses and vision exams (table 171). Eligible employees often use money from these accounts to pay for dependent care expenses, usually both child care and care for elderly or disabled relatives. Reimbursement account funds may also be used for the payment of the employees’ share of health care premiums, and other insurance premiums, such as life insurance or a spouse’s insurance premiums.

Some accounts, known as premium conversion plans, are established to specifically allow medical plan participants to pay required plan premiums with pretax dollars. Although such arrangements differ from the usual reimbursement accounts, where employees are reimbursed with pretax money after a payment is made, these arrangements meet the Internal Revenue Code requirements for a section 125 plan.

Most employees participating in flexible benefits plans or reimbursement accounts are required to contribute toward the cost of their benefits, or are allowed to contribute to obtain additional benefits. These contributions are usually made as a salary reduction, which results in lower income tax liabilities.

Individual benefit plans offered through a flexible benefits plan are included in the tabulations for specific benefit areas in this bulletin.<sup>38</sup>

—ENDNOTES—

<sup>37</sup>Previously, reimbursement accounts included separate accounts and those under flexible plans. Also, premium conversion plans were reported as reimbursement accounts.

<sup>38</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 171. Reimbursement accounts: Expenses covered, full-time employees, medium and large private establishments, 1995**

Expenses	All employees	Professional, technical, and related employees	Clerical and sales employees	Blue-collar and service employees
Total eligible for reimbursement accounts <sup>1</sup> .....	12,686	4,976	3,738	3,972
	Percent			
Number (in thousands) eligible for reimbursement accounts	100	100	100	100
Expenses known .....	95	94	93	97
Health premiums .....	56	52	54	63
Other health expenses .....	78	79	74	81
Dependent care expenses	77	81	74	76
Legal expenses .....	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )
Other Premiums .....	10	11	7	11
Other .....	2	2	2	3
Expense not determinable ....	5	6	7	3

<sup>1</sup> Total is less than the sum of individual items because many plans allow funds to be used for multiple purposes.

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

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

# Chapter 9.

## Benefits by Selected Characteristics

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This chapter presents data on the frequency of employee benefits by region, major industry segment, union status, and part-time employment.

Data on employee benefits for full-time employees is presented in tables 172 and 173 for four regions: Northeast, South, North Central, and West.<sup>39</sup> In general, benefit plan incidence varied little by region. Establishments in the Northeast employed about 7.1 million full-time workers, the South, 10.9 million, the North Central, 9.2 million, and the West, 6.2 million.

Overall, the occurrence of benefits provided to workers in goods-producing industries was higher than that provided to workers in service-producing industries. Service-producing industries accounted for about three-fifths of those employed full time in 1995.<sup>40</sup> (See tables 174-177.)

Retirement benefits for union workers were usually provided in the form of defined benefit pension plans, whereas for non-union workers they were normally provided in the form of defined contribution plans. Twenty-three percent of full-time employees in medium and large private establishments were covered by collective bargaining agreements. Tables 178 and 179 show the incidence of employee benefits for full-time workers by union status.<sup>41</sup>

Finally, tables 180 and 181 present incidence of benefits for part-time workers in medium and large private establishments.<sup>42</sup> Part-time workers within the scope of the Employee Benefits Survey were far less likely to be covered by benefit plans than full-time workers. Part-time workers account for about one-sixth of the 40.2 million employees in medium and large private establishments.

### Region

The incidence of paid leave benefits usually varied little by region. Life insurance benefits were slightly more prevalent in the Northeast and North Central regions. The incidence of other benefits, such as employee assistance programs, educational assistance, and reimbursement accounts also varied little among regions.

### Industry

The incidence of benefits provided to full-time workers in goods-producing industries was usually higher than for those in service-producing industries. Workers in service-producing industries were more likely to receive sick leave, while in service-producing industries, short-term disability coverage was much more common.

In the goods-producing industries, 84 percent of full-time workers received medical care, 93 percent had life insurance, and 86 percent were in retirement plans—in each case, a slightly higher proportion of coverage than in service-producing industries. However, workers in service-producing industries were more likely to have long-term disability insurance.

### Union status

Workers covered by collective bargaining agreements were more likely than those who were not to receive medical care and retirement coverage. Sick leave and long-term disability insurance were the only benefits nonunion workers were more likely to receive. However, short-term disability coverage was far more common among union employees.

About 9 in 10 union workers received medical care and retirement benefits, a slightly greater incidence of coverage than for nonunion workers. Nonunion workers, however, were more commonly provided long-term disability insurance coverage.

The method for providing retirement income coverage varied considerably between union and nonunion workers. Union workers were more likely to receive a defined benefit pension plan than nonunion workers (79 percent compared with 44 percent, respectively). However, 37 percent of union workers could avail themselves of defined contribution plans compared with 61 percent of nonunion workers.

Most other benefits, such as travel accident insurance and Section 125 cafeteria benefits, were more likely to be available to nonunion employees than to union employees.

### Part-time employees

Paid vacations and holidays were the most common benefits available to part-time workers; insurance protection was much less common. Full-time employees in medium and large private establishments were approximately twice as likely to have retirement plans and unpaid family leave, and about four times as likely as part-time employees to be covered by medical care and life insurance benefits.

Because of both the limited sample size and incidence of benefits among part-time workers, plan provisions could not be examined to the same extent as for full-time workers.

Paid time off was the most prevalent type of benefit program available to the part-time workforce. Almost one-half of all part-time employees were eligible for paid vacations, paid holidays, and paid jury duty leave. 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.

Other types of leave were less common. Just under one-fifth of part-time employees were eligible for paid sick leave. Unpaid family leave was provided to 4 out of 10 part-time workers.

Insurance benefits—short-term disability coverage and long-term disability insurance, medical care, dental care, and life insurance—were available to no more than one-fifth of part-time workers. About one-third of part-time workers were eligible to participate in a retirement plan.

The incidence of other benefits, such as severance pay, health promotion programs, and educational assistance was also lower than for full-time workers.

### —ENDNOTES—

<sup>39</sup> Geographic regions are defined as follows: **Northeast**—Connecticut, Maine, Massachusetts, New Hampshire, New Jersey, New York, Pennsylvania, Rhode Island, Vermont; **South**—Alabama, Arkansas, Delaware, District of Columbia, Florida, Georgia, Kentucky, Louisiana, Maryland, Mississippi, North Carolina, Oklahoma, South Carolina, Tennessee, Texas, Virginia, West Virginia; **North Central**—Illinois, Indiana, Iowa, Kansas, Michigan, Minnesota, Missouri, Nebraska, North Dakota, Ohio, South Dakota, Wisconsin; **West**—Alaska, Arizona, California, Colorado, Hawaii, Idaho, Montana, Nevada, New Mexico, Oregon, Utah, Washington, Wyoming.

<sup>40</sup> Goods-producing industries include manufacturing, mining, and construction. Service-producing industries include transportation, com-

munications, electric, gas and sanitary services; wholesale trade; retail trade; finance, insurance, and real estate; and services. See Appendix A for additional information on survey scope.

<sup>41</sup> Occupations are categorized as union or nonunion at the time of data collection. To be categorized as union, the occupations must meet the following criteria: 1) A labor organization must be recognized as the bargaining agent for workers in the occupation; 2) wage and salary rates must be determined through collective bargaining or negotiations; and, 3) settlement terms must be embodied in a signed, mutually-binding collective bargaining agreement.

<sup>42</sup> Employees are classified as full-time or part-time in accordance with the practices of surveyed establishments.

**Table 172. Summary: Participation<sup>1</sup> in selected employee benefit programs, full-time employees, by geographic region, medium and large private establishments, 1995 (In percent)**

Benefit	Northeast	South	North Central	West
Paid time off:				
Holidays .....	91	88	91	86
Vacations .....	96	96	96	93
Personal leave .....	40	18	18	14
Funeral leave .....	85	74	86	77
Jury duty leave .....	93	83	89	74
Military leave .....	51	39	48	41
Family leave .....	3	1	1	2
Unpaid family leave .....	87	87	80	81
Disability benefits <sup>2</sup> :				
Paid sick leave .....	68	55	47	69
Short-term disability .....	79	46	59	28
Long-term disability insurance .....	45	39	43	45
Survivor benefits:				
Life insurance .....	90	84	92	83
Accidental death and dismemberment .....	64	60	78	65
Survivor income benefits .....	1	2	13	7
Health care benefits:				
Medical care .....	82	73	78	75
Dental care .....	62	46	58	66
Vision care .....	27	14	25	38
Outpatient prescription drug coverage .....	81	70	75	73

See footnotes at end of table.

**Table 172. Summary: Participation<sup>1</sup> in selected employee benefit programs, full-time employees, by geographic region, medium and large private establishments, 1995 (In percent) — Continued**

Benefit	Northeast	South	North Central	West
Retirement income benefits:				
All retirement <sup>3</sup> .....	83	77	80	80
Defined benefit .....	61	44	57	49
Defined contribution <sup>4</sup> .....	52	56	52	62
Savings and thrift .....	36	40	38	52
Deferred profit sharing .....	10	14	15	10
Employee stock ownership .....	3	6	5	7
Money purchase pension .....	10	4	11	5
Stock bonus .....	( <sup>5</sup> )	3	2	( <sup>5</sup> )
Simplified employee pension ..	( <sup>5</sup> )	1	( <sup>5</sup> )	( <sup>5</sup> )
Other .....	1	( <sup>5</sup> )	( <sup>5</sup> )	3
Cash or deferred arrangements (401(k) plans):				
With employer contributions .....	36	44	46	57
Salary reduction .....	36	43	43	56
Savings and thrift <sup>6</sup> .....	30	37	33	50
Deferred profit sharing .....	4	5	7	4
Other .....	2	1	3	2
Deferral of profit sharing allocation .....	( <sup>5</sup> )	2	3	( <sup>5</sup> )
Other <sup>7</sup> .....	( <sup>5</sup> )	( <sup>5</sup> )	( <sup>5</sup> )	1
No employer contributions .....	10	8	10	9

<sup>1</sup> Participants are workers covered by a paid time off, insurance, or retirement 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. Except for family leave, 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> The definitions for paid sick leave and short-term disability (previously sickness and accident insurance) were changed for the 1995 survey. Paid sick leave now only includes plans that either specify a maximum number of days per year or unlimited days. Short-term disability now includes all insured, self-insured, and state-mandated plans available on a per disability basis as well as the unfunded per disability plans previously reported as sick leave. Sickness and accident insurance, reported in years prior to this survey, only included insured, self-insured, and state-mandated plans providing per disability benefits at less than full pay.

<sup>3</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>4</sup> The total is less than the sum of the individual items because some employees participated in more than one type of plan.

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

<sup>6</sup> Participants in savings and thrift plans usually are allowed to make pretax contributions. In the 1995 survey, provisions governing pretax contributions were not determinable for about one-tenth of the employees with savings and thrift plans.

<sup>7</sup> Includes required contributions made to money purchase pension plans on a pretax basis.

NOTE: Because of rounding, sums of individual items may not equal totals. Where applicable, dash indicates that no data were reported.

**Table 173. Other benefits: Eligibility for specified benefits, full-time employees, by geographic region, medium and large private establishments, 1995**  
(In percent)

Benefit	Northeast	South	North Central	West
Income continuation plans:				
Severance pay .....	41	30	36	36
Supplemental unemployment benefits .....	1	1	10	1
Family benefits:				
Employer assistance for child care <sup>1</sup> .....	12	7	5	8
Employer provided funds ..	6	4	1	5
On-site child care .....	6	3	2	4
Off-site child care .....	3	1	( <sup>2</sup> )	1
Adoption assistance .....	11	7	8	20
Long-term care insurance .....	9	6	4	7
Flexible workplace .....	2	2	4	1
Health promotion programs:				
Wellness programs .....	34	33	38	29
Employee assistance programs .....	60	51	63	61
Fitness center .....	24	15	12	27
Miscellaneous benefits:				
Job-related travel accident insurance .....	47	37	39	46
Nonproduction bonuses .....	38	38	39	42
Subsidized commuting .....	4	3	3	10
Education assistance:				
Job-related .....	68	61	67	64
Not job-related .....	25	17	15	16
Section 125 cafeteria benefits <sup>3</sup> :	55	59	53	52
Flexible benefit plans .....	14	12	9	15
Reimbursement plans .....	37	38	40	35
Premium conversion plans ...	4	8	4	2

<sup>1</sup> Occupations may have access to more than one type of assistance for child care. Not all types of assistance are shown separately. Therefore, the sums of individual items may not equal the totals.

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

<sup>3</sup> Includes all types of plans under Internal Revenue Code Section 125. Flexible benefits plans include reimbursement account features.

NOTE: Because of rounding, sums of individual items may not equal totals. Where applicable, dash indicates that no data were reported.

**Table 174. Summary: Participation<sup>1</sup> in selected employee benefit programs, full-time employees in goods-producing industries, medium and large private establishments, 1995  
(In percent)**

Benefit	All employees	Professional, technical, and related employees	Clerical and sales employees	Blue-collar and service employees
Paid time off:				
Holidays .....	95	99	99	93
Vacations .....	96	99	100	94
Personal leave .....	16	21	22	13
Funeral leave .....	82	88	81	80
Jury duty leave .....	83	91	82	81
Military leave .....	53	76	56	45
Family leave .....	1	4	3	1
Unpaid family leave .....	87	93	91	85
Disability benefits <sup>2</sup> :				
Paid sick leave .....	40	72	66	25
Short-term disability .....	68	60	59	72
Long-term disability insurance .....	36	57	53	26
Survivor benefits:				
Life insurance .....	93	97	97	91
Accidental death and dismemberment .....	74	78	80	71
Survivor income benefits .....	9	13	8	8
Health care benefits:				
Medical care .....	84	83	81	84
Dental care .....	58	73	61	53
Vision care .....	22	32	19	19
Outpatient prescription drug coverage .....	81	81	80	82

See footnotes at end of table.

**Table 174. Summary: Participation<sup>1</sup> in selected employee benefit programs, full-time employees in goods-producing industries, medium and large private establishments, 1995 (In percent) — Continued**

Benefit	All employees	Professional, technical, and related employees	Clerical and sales employees	Blue-collar and service employees
Retirement income benefits:				
All retirement <sup>3</sup> .....	86	90	86	84
Defined benefit .....	62	67	63	61
Defined contribution <sup>4</sup> .....	58	75	65	51
Savings and thrift .....	44	61	54	37
Deferred profit sharing .....	14	17	14	13
Employee stock ownership .....	6	6	4	6
Money purchase pension .....	5	7	4	4
Simplified employee pension ..	( <sup>5</sup> )	1	—	( <sup>5</sup> )
Other .....	2	4	1	2
Cash or deferred arrangements (401(k) plans):				
With employer contributions .....	52	71	61	45
Salary reduction .....	50	68	58	42
Savings and thrift <sup>6</sup> .....	40	57	47	33
Deferred profit sharing .....	7	6	8	7
Other .....	3	5	3	2
Deferral of profit sharing allocation .....	3	3	3	2
No employer contributions .....	11	16	7	10

<sup>1</sup> Participants are workers covered by a paid time off, insurance, or retirement 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. Except for family leave, 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> The definitions for paid sick leave and short-term disability (previously sickness and accident insurance) were changed for the 1995 survey. Paid sick leave now only includes plans that either specify a maximum number of days per year or unlimited days. Short-term disability now includes all insured, self-insured, and state-mandated plans available on a per disability basis as well as the unfunded per disability plans previously reported as sick leave. Sickness and accident insurance, reported in years prior to this survey, only included insured, self-insured, and state-mandated plans providing per disability benefits at less than full pay.

<sup>3</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>4</sup> The total is less than the sum of the individual items because some employees participated in more than one type of plan.

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

<sup>6</sup> Participants in savings and thrift plans usually are allowed to make pretax contributions. In the 1995 survey, provisions governing pretax contributions were not determinable for about one-tenth of the employees with savings and thrift plans.

NOTE: Because of rounding, sums of individual items may not equal totals. Where applicable, dash indicates that no data were reported.

**Table 175. Other benefits: Eligibility for specified benefits, full-time employees in goods-producing industries, medium and large private establishments, 1995 (In percent)**

Benefit	All employees	Professional, technical, and related employees	Clerical and sales employees	Blue-collar and service employees
Income continuation plans:				
Severance pay .....	40	68	59	28
Supplemental unemployment benefits .....	7	3	2	8
Family benefits:				
Employer assistance for child care <sup>1</sup> .....	4	11	3	1
Employer provided funds ..	3	10	2	1
On-site child care .....	2	6	1	-
Off-site child care .....	1	1	( <sup>2</sup> )	( <sup>2</sup> )
Adoption assistance .....	12	26	12	8
Long-term care insurance .....	5	10	7	3
Flexible workplace .....	1	1	1	1
Health promotion programs:				
Wellness programs .....	39	55	40	34
Employee assistance programs .....	61	80	59	55
Fitness center .....	17	37	18	10
Miscellaneous benefits:				
Job-related travel accident insurance .....	46	76	52	35
Nonproduction bonuses .....	47	48	47	46
Subsidized commuting .....	5	13	6	2
Education assistance:				
Job-related .....	68	86	72	61
Not job-related .....	20	30	22	16
Section 125 cafeteria benefits <sup>3</sup> :				
Flexible benefit plans .....	11	25	12	6
Reimbursement plans .....	34	48	44	28
Premium conversion plans ...	5	4	7	5

<sup>1</sup> Occupations may have access to more than one type of assistance for child care. Not all types of assistance are shown separately. Therefore, the sums of individual items may not equal the totals.

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

<sup>3</sup> Includes all types of plans under Internal Revenue Code Section 125. Flexible benefits plans include reimbursement account features.

NOTE: Because of rounding, sums of individual items may not equal totals. Where applicable, dash indicates that no data were reported.

**Table 176. Summary: Participation<sup>1</sup> in selected employee benefit programs, full-time employees in service-producing industries, medium and large private establishments, 1995  
(In percent)**

	All employees	Professional, technical, and related employees	Clerical and sales employees	Blue-collar and service employees
Paid time off:				
Holidays .....	85	82	92	81
Vacations .....	96	95	99	93
Personal leave .....	26	26	36	17
Funeral leave .....	79	81	86	70
Jury duty leave .....	86	91	91	77
Military leave .....	39	51	43	23
Family leave .....	2	3	2	1
Unpaid family leave .....	82	87	85	74
Disability benefits <sup>2</sup> :				
Paid sick leave .....	70	74	80	57
Short-term disability .....	44	42	51	39
Long-term disability insurance .....	46	62	53	26
Survivor benefits:				
Life insurance .....	83	91	88	72
Accidental death and dismemberment .....	62	66	63	58
Survivor income benefits .....	4	3	3	5
Health care benefits:				
Medical care .....	72	78	75	64
Dental care .....	55	63	56	48
Vision care .....	25	27	23	26
Outpatient prescription drug coverage .....	70	75	73	62

See footnotes at end of table.

**Table 176. Summary: Participation<sup>1</sup> in selected employee benefit programs, full-time employees in service-producing industries, medium and large private establishments, 1995 (In percent) — Continued**

	All employees	Professional, technical, and related employees	Clerical and sales employees	Blue-collar and service employees
Retirement income benefits:				
All retirement <sup>3</sup> .....	76	85	85	60
Defined benefit .....	46	47	53	37
Defined contribution <sup>4</sup> .....	54	63	63	36
Savings and thrift .....	39	45	45	26
Deferred profit sharing .....	12	13	15	7
Employee stock ownership .....	5	5	7	2
Money purchase pension .....	9	16	6	6
Stock bonus .....	2	2	4	1
Simplified employee pension ..	1	1	1	( <sup>5</sup> )
Other .....	( <sup>5</sup> )	( <sup>5</sup> )	( <sup>5</sup> )	( <sup>5</sup> )
Cash or deferred arrangements (401(k) plans):				
With employer contributions .....	41	48	48	28
Salary reduction .....	40	47	47	27
Savings and thrift <sup>6</sup> .....	35	41	41	24
Deferred profit sharing .....	4	4	6	2
Other .....	1	2	1	1
Deferral of profit sharing allocation .....	1	1	1	1
Other <sup>7</sup> .....	( <sup>5</sup> )	1	( <sup>5</sup> )	( <sup>5</sup> )
No employer contributions .....	8	12	8	5

<sup>1</sup> Participants are workers covered by a paid time off, insurance, or retirement 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. Except for family leave, 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> The definitions for paid sick leave and short-term disability (previously sickness and accident insurance) were changed for the 1995 survey. Paid sick leave now only includes plans that either specify a maximum number of days per year or unlimited days. Short-term disability now includes all insured, self-insured, and state-mandated plans available on a per disability basis as well as the unfunded per disability plans previously reported as sick leave. Sickness and accident insurance, reported in years prior to this survey, only included insured, self-insured, and state-mandated plans providing per disability benefits at less than full pay.

<sup>3</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>4</sup> The total is less than the sum of the individual items because some employees participated in more than one type of plan.

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

<sup>6</sup> Participants in savings and thrift plans usually are allowed to make pretax contributions. In the 1995 survey, provisions governing pretax contributions were not determinable for about one-tenth of the employees with savings and thrift plans.

<sup>7</sup> Includes required contributions made to money purchase pension plans on a pretax basis.

NOTE: Because of rounding, sums of individual items may not equal totals. Where applicable, dash indicates that no data were reported.

**Table 177. Other benefits: Eligibility for specified benefits, full-time employees in service-producing industries, medium and large private establishments, 1995  
(In percent)**

Benefit	All employees	Professional, technical, and related employees	Clerical and sales employees	Blue-collar and service employees
Income continuation plans:				
Severance pay .....	32	38	40	20
Supplemental unemployment benefits .....	2	( 1 )	1	4
Family benefits:				
Employer assistance for child care <sup>2</sup> .....	10	17	8	6
Employer provided funds ..	4	6	5	2
On-site child care .....	5	9	3	3
Off-site child care .....	2	3	2	1
Adoption assistance .....	10	14	12	4
Long-term care insurance .....	7	7	10	5
Flexible workplace .....	3	6	2	( 1 )
Health promotion programs:				
Wellness programs .....	31	44	30	19
Employee assistance programs .....	56	69	60	40
Fitness center .....	19	28	16	16
Miscellaneous benefits:				
Job-related travel accident insurance .....	38	50	46	21
Nonproduction bonuses .....	34	37	36	30
Subsidized commuting .....	4	6	5	3
Education assistance:				
Job-related .....	63	75	64	50
Not job-related .....	17	22	16	14
Section 125 cafeteria benefits <sup>3</sup> :	58	76	67	33
Flexible benefit plans .....	13	17	15	7
Reimbursement plans .....	40	55	46	21
Premium conversion plans ...	5	4	5	5

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

<sup>2</sup> Occupations may have access to more than one type of assistance for child care. Not all types of assistance are shown separately. Therefore, the sums of individual items may not equal the totals.

<sup>3</sup> Includes all types of plans under Internal Revenue Code Section 125. Flexible benefits plans include reimbursement account features.

NOTE: Because of rounding, sums of individual items may not equal totals. Where applicable, dash indicates that no data were reported.

**Table 178. Summary: Participation<sup>1</sup> in selected employee benefit programs, by union status, full-time employees, medium and large private establishments, 1995 (In percent)**

Benefit	Union workers	Nonunion workers
Paid time off:		
Holidays .....	92	88
Vacations .....	94	96
Personal leave .....	20	23
Funeral leave .....	86	78
Jury duty leave .....	87	84
Military leave .....	42	45
Family leave .....	1	2
Unpaid family leave .....	82	85
Disability benefits <sup>2</sup> :		
Paid sick leave .....	40	64
Short-term disability .....	73	47
Long-term disability insurance .....	21	49
Survivor benefits:		
Life insurance .....	90	86
Accidental death and dismemberment .....	75	64
Survivor income benefits ....	10	4
Health care benefits:		
Medical care .....	85	74
Dental care .....	62	55
Vision care .....	38	20
Outpatient prescription drug coverage .....	82	72
Retirement income benefits:		
All retirement <sup>3</sup> .....	87	78
Defined benefit .....	79	44

See footnotes at end of table.

**Table 178. Summary: Participation<sup>1</sup> in selected employee benefit programs, by union status, full-time employees, medium and large private establishments, 1995 (In percent) — Continued**

Benefit	Union workers	Nonunion workers
Defined contribution <sup>4</sup> .....	37	61
Savings and thrift .....	23	46
Deferred profit sharing ....	9	14
Employee stock ownership .....	3	6
Money purchase pension .....	5	8
Stock bonus .....	( <sup>5</sup> )	2
Simplified employee pension .....	—	1
Other .....	1	1
Cash or deferred arrangements (401(k) plans):		
With employer contributions	29	50
Salary reduction .....	26	49
Savings and thrift <sup>6</sup> .....	20	42
Deferred profit sharing .....	4	5
Other .....	1	2
Deferral of profit sharing allocation .....	3	1
Other <sup>7</sup> .....	( <sup>5</sup> )	( <sup>5</sup> )
No employer contributions ..	10	9

<sup>1</sup> Participants are workers covered by a paid time off, insurance, or retirement 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. Except for family leave, 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> The definitions for paid sick leave and short-term disability (previously sickness and accident insurance) were changed for the 1995 survey. Paid sick leave now only includes plans that either specify a maximum number of days per year or unlimited days. Short-term disability now includes all insured, self-insured, and state-mandated plans available on a per disability basis as well as the unfunded per disability plans previously reported as sick leave. Sickness and accident insurance, reported in years prior to this survey, only included insured, self-insured, and state-mandated plans providing per disability benefits at less than full pay.

<sup>3</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>4</sup> The total is less than the sum of the individual items because some employees participated in more than one type of plan.

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

<sup>6</sup> Participants in savings and thrift plans usually are allowed to make pretax contributions. In the 1995 survey, provisions governing pretax contributions were not determinable for about one-tenth of the employees with savings and thrift plans.

<sup>7</sup> Includes required contributions made to money purchase pension plans on a pretax basis.

NOTE: Because of rounding, sums of individual items may not equal totals. Where applicable, dash indicates that no data were reported.

**Table 179. Other benefits: Eligibility for specified benefits, by union status, full-time employees, medium and large private establishments, 1995 (In percent)**

Benefit	Union employees	Nonunion employees
Income continuation plans:		
Severance pay .....	32	36
Supplemental unemployment benefits .....	12	1
Family benefits:		
Employer assistance for child care <sup>1</sup> .....	3	9
Employer provided funds ..	1	5
On-site child care .....	1	4
Off-site child care .....	( <sup>2</sup> )	2
Adoption assistance .....	6	12
Long-term care insurance .....	7	6
Flexible workplace .....	1	3
Health promotion programs:		
Wellness programs .....	30	35
Employee assistance programs .....	61	57
Fitness center .....	8	22
Miscellaneous benefits:		
Job-related travel accident insurance .....	33	44
Nonproduction bonuses .....	40	38
Subsidized commuting .....	1	6
Education assistance:		
Job-related .....	62	66
Not job-related .....	21	17
Section 125 cafeteria benefits <sup>3</sup> :	33	62
Flexible benefit plans .....	4	15
Reimbursement plans .....	26	42
Premium conversion plans ...	3	6

<sup>1</sup> Occupations may have access to more than one type of assistance for child care. Not all types of assistance are shown separately. Therefore, the sums of individual items may not equal the totals.

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

<sup>3</sup> Includes all types of plans under Internal Revenue Code Section 125. Flexible benefits plans include reimbursement account features.

NOTE: Because of rounding, sums of individual items may not equal totals. Where applicable, dash indicates that no data were reported.

**Table 180. Summary: Participation<sup>1</sup> in selected employee benefit programs, part-time employees, medium and large private establishments, 1995 (In percent)**

Benefit	All employees	Professional, technical, and related employees	Clerical and sales employees	Blue-collar and service employees
Paid time off:				
Holidays .....	44	26	54	40
Vacations .....	50	47	50	50
Personal leave .....	13	5	22	8
Funeral leave .....	37	41	44	30
Jury duty leave .....	42	50	40	41
Military leave .....	14	16	16	11
Family leave .....	( <sup>2</sup> )	( <sup>2</sup> )	1	( <sup>2</sup> )
Unpaid family leave .....	42	42	44	39
Disability benefits <sup>3</sup> :				
Paid sick leave .....	19	25	21	14
Short-term disability .....	16	11	14	19
Long-term disability insurance .....	7	16	10	1
Survivor benefits:				
Life insurance .....	20	33	21	15
Accidental death and dismemberment .....	14	19	16	10
Survivor income benefits .....	1	1	1	( <sup>2</sup> )
Health care benefits:				
Medical care .....	19	31	20	15
Dental care .....	13	24	12	10
Vision care .....	8	11	9	6
Outpatient prescription drug coverage .....	19	31	21	14

See footnotes at end of table.

**Table 180. Summary: Participation<sup>1</sup> in selected employee benefit programs, part-time employees, medium and large private establishments, 1995 (In percent) — Continued**

Benefit	All employees	Professional, technical, and related employees	Clerical and sales employees	Blue-collar and service employees
Retirement income benefits:				
All retirement <sup>4</sup> .....	37	53	45	23
Defined benefit .....	22	24	28	15
Defined contribution <sup>5</sup> .....	24	33	32	13
Savings and thrift .....	15	20	23	6
Deferred profit sharing ....	6	1	9	5
Employee stock ownership .....	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )
Money purchase pension	4	13	3	3
Cash or deferred arrangements (401(k) plans):				
With employer contributions	17	22	27	7
Salary reduction .....	17	21	26	7
Savings and thrift <sup>6</sup> .....	14	20	21	5
Deferred profit sharing	3	( <sup>2</sup> )	5	2
Other .....	( <sup>2</sup> )	1	1	( <sup>2</sup> )
Deferral of profit sharing allocation .....	( <sup>2</sup> )	—	1	( <sup>2</sup> )
Other <sup>7</sup> .....	( <sup>2</sup> )	1	( <sup>2</sup> )	( <sup>2</sup> )
No employer contributions ..	5	10	4	3

<sup>1</sup> Participants are workers covered by a paid time off, insurance, or retirement 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. Except for family leave, benefits for which the employees 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> Less than 0.5 percent.

<sup>3</sup> The definitions for paid sick leave and short-term disability (previously sickness and accident insurance) were changed for the 1995 survey. Paid sick leave now only includes plans that either specify a maximum number of days per year or unlimited days. Short-term disability now includes all insured, self-insured, and state-mandated plans available on a per disability basis as well as the unfunded per disability plans previously reported as sick leave. Sickness and accident insurance, reported in years prior to this survey, only included insured, self-insured, and state-mandated plans providing per disability benefits at less than full pay.

<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> The total is less than the sum of the individual items because some employees participated in more than one type of plan.

<sup>6</sup> Participants in savings and thrift plans usually are allowed to make pretax contributions. In the 1995 survey, provisions governing pretax contributions were not determinable for about one-tenth of the employees with savings and thrift plans.

<sup>7</sup> Includes required contributions made to money purchase pension plans on a pretax basis.

NOTE: Because of rounding, sums of individual items may not equal totals. Where applicable, dash indicates that no data were reported.

**Table 181. Other benefits: Eligibility for specified benefits, part-time employees, medium and large private establishments, 1995 (In percent)**

Benefit	All employees	Professional, technical, and related employees	Clerical and sales employees	Blue-collar and service employees
Income continuation plans:				
Severance pay .....	10	13	14	5
Supplemental unemployment benefits .....	( <sup>1</sup> )	–	1	( <sup>1</sup> )
Family benefits:				
Employer assistance for child care <sup>2</sup> .....	6	16	4	5
Employer provided funds ..	2	4	1	2
On-site child care .....	3	12	1	1
Off-site child care .....	2	( <sup>1</sup> )	1	2
Adoption assistance .....	4	3	7	1
Long-term care insurance .....	4	2	8	2
Flexible workplace .....	( <sup>1</sup> )	2	( <sup>1</sup> )	( <sup>1</sup> )
Health promotion programs:				
Wellness programs .....	13	32	12	7
Employee assistance programs .....	34	54	39	24
Fitness center .....	13	36	12	6
Miscellaneous benefits:				
Job-related travel accident insurance .....	25	22	41	11
Nonproduction bonuses .....	19	22	17	19
Subsidized commuting .....	1	1	2	1
Education assistance:				
Job-related .....	36	60	37	27
Not job-related .....	7	7	6	8
Section 125 cafeteria benefits <sup>3</sup> :	19	36	25	7
Flexible benefit plans .....	5	12	7	1
Reimbursement plans .....	13	23	18	6
Premium conversion plans ...	1	1	1	1

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

<sup>2</sup> Occupations may have access to more than one type of assistance for child care. Not all types of assistance are shown separately. Therefore, the sums of individual items may not equal the totals.

<sup>3</sup> Includes all types of plans under Internal Revenue Code Section 125. Flexible benefits plans include reimbursement account features.

NOTE: Because of rounding, sums of individual items may not equal totals. Where applicable, dash indicates that no data were reported.

# Appendix A: Technical Note

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## Scope of survey

The Employee Benefits Survey tracks the incidence and characteristics of employee benefit plans and is conducted jointly with the Bureau's Employment Cost Index (ECI). The portion of the survey from which the EBS estimates are made covers all private-sector establishments<sup>1</sup> in the United States employing 100 workers or more at the time of sample selection.<sup>2</sup> All private-sector industries are included in the survey with the exception of farms and private households.

The industrial and establishment size coverage of the survey varies on a rotating basis. All surveys cover full-time and part-time workers in all 50 States and the District of Columbia. In even-numbered years, EBS data are collected for small private establishments (those employing fewer than 100 workers) and State and local governments, regardless of employment size. In odd-numbered years, data are collected in medium and large private establishments (those employing 100 workers or more).

The industrial coverage, establishment size coverage, and geographic coverage for the survey were different prior to 1990. The 1979 through 1986 surveys covered only medium and large private establishments and excluded most of the service industries. Establishments employing at least 50, 100, or 250 workers, depending on the industry, were included. The 1987 survey consisted of State and local government establishments with 50 or more employees. The 1988 and 1989 surveys included all private-sector establishments of 100 or more employees. Surveys from 1979 to 1989 excluded part-time employees and establishments in Alaska and Hawaii.

Data in Appendix B indicate the estimated number of full- and part-time employees within the scope of the survey, the number of responding sample establishments, and the number of sampled (and responding) occupational quotes<sup>3</sup> within those establishments that are actually studied for each major industry division.

## Occupational groups

Each of the narrowly defined occupations selected for study is classified into one of the following three broad occupational groups:

*Professional, technical, and related.* Includes professional, technical, executive, administrative, managerial, and related occupations.

*Clerical and sales.* Includes clerical, administrative support, and sales occupations.

*Blue-collar and service.* Includes precision production, craft, and repair occupations; machine operators and inspectors; transportation and material moving occupations; handlers, equipment cleaners, helpers, and laborers; and service occupations.

Excluded from the survey are self-employed persons, proprietors, major stockholders, members of a corporate board who are not otherwise officers of the corporation, volunteers, unpaid workers, family members who are paid token wages, the permanently disabled, partners in unincorporated firms, and U.S. citizens working overseas.

## Benefit areas

BLS requests that sampled establishments provide data for a sample of their occupations on work schedules and details of plans in each of the following benefit areas: Paid holidays, paid vacations, paid personal leave, paid funeral leave, paid military leave, paid jury-duty leave, paid and unpaid family leave, paid sick leave, short term disability insurance, long-term disability insurance, medical care, dental care, vision care, life insurance, defined benefit pension plans, defined contribution plans, and Section 125 cafeteria benefits, which include flexible benefits plans, reimbursement accounts, and premium conversion plans.

Data are also collected on the incidence of the following additional benefits: Severance pay, supplemental unemployment benefits, travel accident insurance, nonproduction cash bonuses, child care, adoption assistance, long-term care insurance, wellness programs, fitness centers, job-related and non-job-related educational assistance, employee assistance programs, flexible workplace, and subsidized commuting.

## Sample design

The State Unemployment Insurance (UI) reports for the 50 States and the District of Columbia is the list of establishments from which the sample is selected (called the sampling frame). The sample design for this survey and the Employment Cost Index (ECI) is a 2-stage probability sample of detailed occupations. The first stage of sample selection is a probability sample of establishments; the second stage is a probability sample of occupations within those establishments.

The sample of establishments is a subset of the ECI sample that covers establishments having 100 employees or more at the time of selection. The ECI sample is updated over a 5-year cycle. Each year, new sample establishments are introduced into the survey, replacing previously selected sample units.

To ensure that the sample is representative of all estab-

lishments that began business after the various industry samples were selected, a sample of "births" (newly opened establishments) is added to the existing sample each year.

The sample of establishments is selected by first stratifying the sampling frame by industry group, and then by region and establishment employment. The industry groups usually consist of 3-digit Standard Industrial Classification groups, as defined by the Office of Management and Budget.

The number of sample establishments allocated to each stratum (defined by industry) reflects the ratio of employment in the stratum to employment in all sampling frame establishments. Thus, a stratum that contains 1 percent of the total employment within the scope of the survey receives approximately 1 percent of the total sample establishments. Some industries are sampled at a higher rate than other industries because of publication requirements or highly variable data.

Each sampled establishment within an industry group (stratum) has a probability of selection proportional to its employment. For example, consider two establishments, A and B, with respective employment of 5,000 and 1,000. Establishment A is five times more likely to be selected than establishment B.

At the beginning of each visit by a Bureau field economist to a sampled establishment, a second-stage probability sample of occupations is selected from the establishment. Data are then collected for these sampled occupations. The number of occupations selected from an establishment varies from four in the smallest establishments to eight in the largest establishments. The probability of an occupation being selected is proportional to its employment size within the establishment.

The narrowly defined occupations are based on the Standard Occupational Classification (SOC) system compiled by the Department of Commerce. They are then classified into the three occupational groups shown in this bulletin.

The sample design will undergo change in 1997, as some units will be selected on an area basis to reflect the transition to the National Compensation Survey design.

### Data collection

Bureau field economists visit or contact sampled establishments by telephone to collect data for the survey. To reduce the reporting burden, respondents are asked to provide documents describing their flexible benefits plans; reimbursement accounts; defined benefit pensions; defined contribution plans; medical, dental, and vision care plans; and insurance plans. BLS analyzes these plans in Washington to garner the required data on plan provisions. Data on paid leave benefits generally are obtained directly from the employer at the time of the visit.

### Data calculation

Tabulations in this bulletin show the percent of all em-

employees who receive specified benefits, such as paid holidays or medical care, as well as information on the provisions of many of these benefits. To present provision data, tabulations generally indicate the percent of all employees receiving a benefit (participants) who are covered by specified features. For example, tabulations may show the percent of workers with medical care benefits who are covered by a health maintenance organization.

The majority of tables in the bulletin indicate the percent of employees covered by a particular benefit plan or provision. In addition, average benefit provisions—such as the average number of paid holidays per year—are presented. In some cases, tabulations indicate both the percent of employees with a given provision and the average value of that provision. For example, EBS tabulations indicate the percent of employees in fee-for-service medical care plans who must pay selected deductibles (such as \$100, \$150, and \$200 per year), as well as the average deductible. (All tabulations of averages include only those employees actually covered by the provision being averaged.)

Most tables in this bulletin also include the number of employees receiving the benefit. This provides the reader with additional information on the prevalence of various benefit plans and provisions.

### Survey estimation methods

The survey design uses an estimator that assigns the inverse of each sample unit's probability of selection as a weight to the unit's data at each of the two stages of sample selection. Three weight-adjustment factors are applied to the establishment data. The first factor is introduced to account for establishment non-response, a second factor—for occupational non-response, and a third poststratification factor is introduced to adjust the estimated employment totals to actual counts of the employment by industry for the survey reference date.

The general form of the estimator for a population total  $Y$  is:

$$Y = \sum_{i=1}^{n'} \frac{f_{2i} f_{1i}}{P_i} \sum_{j=1}^{o_i} \frac{Y_{ij}}{P_{ij}}$$

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;
- $f_{1i}$  = weight adjustment factor for nonresponse for the  $i^{\text{th}}$  establishment;
- $f_{2i}$  = weight adjustment factor for poststratification totals for the  $i^{\text{th}}$  establishment.
- $F_{ij}$  = weight adjustment factor for nonresponse for  $j^{\text{th}}$  occupation in 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 usable occupation quotes selected from the responding establishments. They are not tabulations based on data from all employees in medium and large establishments within scope of the survey. Consequently, the data are subject to sampling and nonsampling errors.

*Sampling errors* are the differences that can arise between results derived from a sample and those computed from observations of all units in the population being studied. When probability techniques are used to select a sample, as in the Employee Benefits Survey, statistical measures called "standard errors" can be calculated to measure possible sampling errors.

This evaluation of survey results involves forming confidence intervals that can be interpreted in the following manner: Assume that repeated random samples of the same size were drawn from a given population and an estimate of some value, such as a mean or percentage, was made from each sample. Then, the intervals described by one standard error below each sample's estimate and one standard error above the estimate would include the population's value for 68 percent of the samples. Confidence rises to 90 percent if the intervals surrounding the sample estimates are widened to plus and minus 1.6 standard errors, and to 95 percent if the intervals are increased to plus and minus 2 standard errors.

*Nonsampling errors* also affect survey results. They can be attributed to many sources: Inability to obtain information about all establishments in the sample; definitional difficulties; differences in the interpretation of questions; inability or unwillingness of respondents to provide correct information; mistakes in recording or coding the data; and other errors of collection, response, processing, coverage, and estimation for missing data.

Computer edits of the data and professional review of both individual and summarized data reduce the nonsampling errors in recording, coding, and processing the data. However, to the extent that the characteristics of nonrespondents are not the same as those of respondents, nonsampling errors are introduced in the development of estimates. Because the influence of these limitations on the EBS estimates is unknown, reliability measurements are incomplete.

### —ENDNOTES—

<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 because BLS only surveyed the larger establishments. BLS classified establishments by size as of the reference date of the sampling frame. All establishments of 100 employees or more

that were sampled are included in the survey, even if they employed fewer workers at the time of data collection.

<sup>3</sup> Data are collected individually for narrowly defined occupations that are sampled within establishments. All of the employees in the detailed occupation selected may not be surveyed. Data for a group (manageable number) of employees in the detailed occupation that included the selected employee position are collected. This group is called a quote.

## Appendix B: Survey Response

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### Information on 1995 survey response

Data for the 1995 Employee Benefits Survey in medium and large—those employing 100 workers and more—private establishments were collected from November 1994 to October 1995, reflecting an average reference period of June 1995. A sample of 3,462 establishments was chosen from Unemployment Insurance reports with reference dates from 1989 to 1993; also included was the "birth" sample, which represents establishments beginning operations through 1994. (A description of sampling procedures appears in appendix A.) Respondents were asked for information as of the time of the data collection contact.

The following summary is a composite of establishment responses to the survey:

<i>Establishments</i>	<i>Number</i>
In sample	3,462
Out of business and out of scope	513
Refusing to respond	894
Responding fully or partially	2,055

The 2,055 responding establishments in the sample of 3,462 establishments studied (tables A1-A2) yielded 11,038 occupational observations (quotes) for which data were collected.

There were four procedures used to adjust for missing data from partial and full refusals. First, imputations for the number of plan participants are made for cases in which this number is not reported (approximately 32 percent of participants in health plans, 35 percent in retirement plans, and 2 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 when they or not available in a responding establishment. These plan provisions are imputed by selecting a plan from another establishment with similar characteristics. Provisions from this selected plan are then used to represent the missing data. (This was necessary for about 8 percent of the participants in short-term disability plans; 15 percent of flexible benefits plan participants; 30 percent of medical, dental, and vision care participants; 11 percent of long-term disability insurance participants; 30 percent of retirement plan participants; and 5 percent of life insurance plan participants.)

For establishments that refuse or are unable to provide the minimum amount of usable data, a weight adjustment is made using the sample unit employment. This technique assumes that the mean value of the nonrespondents equals the mean value of the respondents at some "detailed" cell level. These cells are defined in a manner that groups establishments together that are homogeneous with respect to the characteristics of interest. In most cases, these cells are the same as those used for sample selection.

For establishments that refuse, or are unable to provide data for a specific occupation, a similar cell approach is used to make adjustments to the sampled occupation weights in responding establishments. The characteristics of interest include the major occupation group of the unreported occupations.

The survey data do not relate to 7 percent of the estimated 43.1 million employees in the universe of medium and large private establishments. Almost all employees were in sampled occupations that were discontinued in their reporting establishments after participation in the survey began. No replacement occupations were selected, nor were adjustments made to the survey estimates to reflect these missing data.

### Standard errors

Chart A-1 provides standard errors for use in evaluating the estimates in the tables shown in chapters 1-9 of this bulletin containing percentage estimates. For example, table 1 shows that 55 percent of all employees participated in defined contribution retirement plans in 1995. Chart A-1 shows a standard error of approximately 2.2 percent for this estimate. Thus, at the 95-percent level, the confidence interval for this estimate is 50.6 percent to 59.4 percent (55 percent plus and minus 2 times 2.2 percent).

Standard errors for average leave days that appear in tables 14, 15, 17, and 18 are presented in table A-7. Standard errors for tables 8, 13, 21, and 23 could not be represented graphically. They are presented as tables A3-A6. For example, the first entry in table 21 shows an average of 11.5 days of paid sick leave annually after 1 year of service. The standard error for this estimate is .50 days.

### Charting estimates and generalized standard errors

Each estimate used in the production of the tables in this bulletin has approximately a normal distribution.

Standard errors for the percentage estimates were computed from a representative portion of the 1995 survey estimates using a method called "balanced repeated replication." Estimates are produced for each of 64 half-sample replicates, and

Appendix B: Survey Response

the variability or standard error is calculated from these estimates. To simplify their presentation, a curve was fitted to the standard error estimates using regression techniques (chart A-1).

P = percentage estimate from the bulletin  
 e = exponential function  
 ln = natural logarithm function.

The curve's equation is:

where:

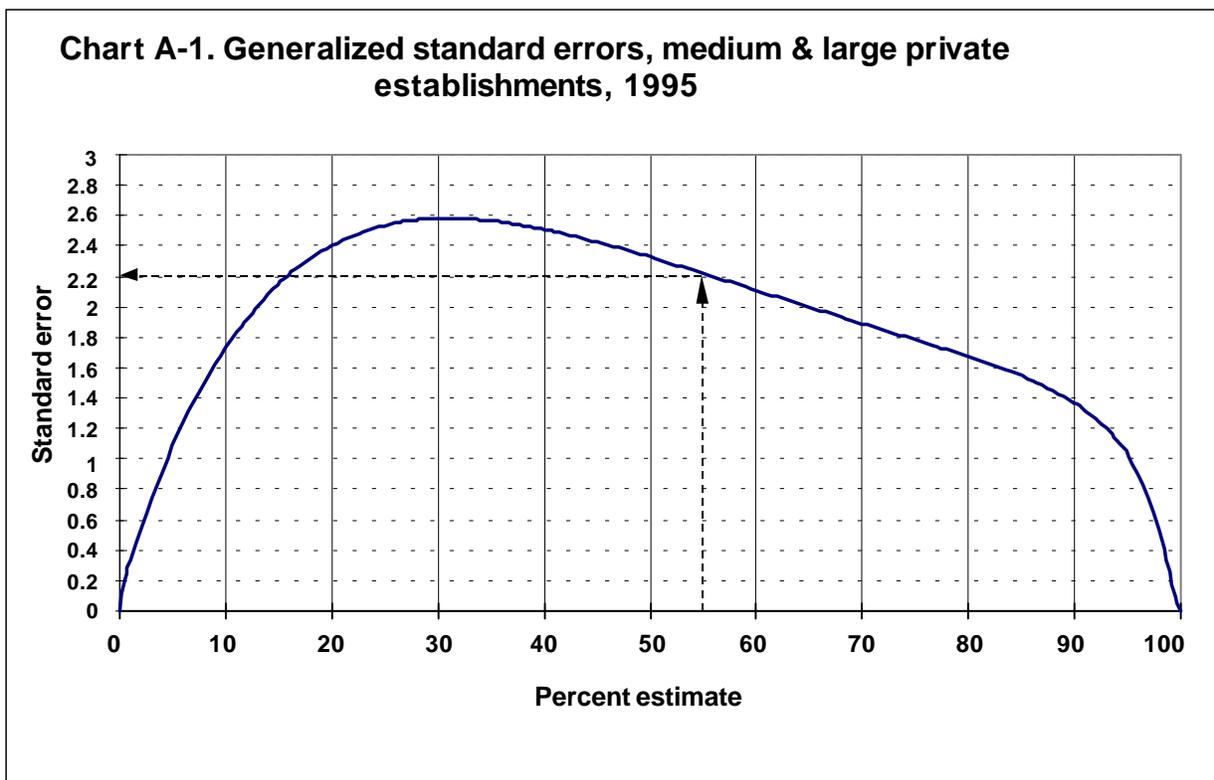
S = standard error

For the 1995 Employee Benefits Survey,  
 a = -1.05523539, b = 0.06710558, c = -0.05234468, and  
 d = -0.01175850; f = -0.04949575

These are regression coefficients. The curve fits the data with  $R^2 = 0.85741$  and no definite pattern in the residuals.

The equation of the curve was obtained empirically, using the following equation:

$$S = a P^b (100 - P)^c .$$



**Table A-1: Number of establishments and full-time occupational quotes studied and estimated number of full-time workers within scope of survey, medium and large private establishments, United States, 1995**

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 .....	3,462	9,561	3,078	2,915	3,568
Manufacturing .....	504	2,005	482	201	1,322
Nonmanufacturing .....	2,957	7,556	2,596	2,714	2,246
Mining .....	22	90	30	6	54
Construction .....	113	165	34	13	118
Transportation, communications, electric, gas, and sanitary services .....	457	1,320	280	434	606
Wholesale trade .....	163	445	85	179	181
Retail trade .....	410	650	88	381	181
Finance, insurance, and real estate .....	661	1,593	541	977	75
Services .....	1,132	3,293	1,538	724	1,031
Estimated number of full-time workers within scope of survey					
All industries .....		33,373,969	9,366,025	8,104,860	15,903,083
Manufacturing .....		11,651,504	2,682,162	1,091,282	7,878,060
Nonmanufacturing .....		21,722,465	6,683,863	7,013,579	8,025,023
Mining .....		271,855	88,463	18,767	164,625
Construction .....		897,126	172,715	69,750	654,660
Transportation, communications, electric, gas, and sanitary services .....		2,574,869	542,043	535,717	1,497,110
Wholesale trade .....		1,304,485	253,836	551,170	499,480
Retail trade .....		3,075,284	336,336	1,817,567	921,382
Finance, insurance, and real estate .....		2,581,631	618,698	1,820,898	142,035
Services .....		11,017,214	4,671,773	2,199,710	4,145,731

<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-2: Number of establishments and part-time occupational quotes studied and estimated number of part-time workers within scope of survey, medium and large private establishments, United States, 1995**

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 .....	3,462	1,477	285	646	546
Manufacturing .....	504	28	4	13	11
Nonmanufacturing .....	2,957	1,449	281	633	535
Mining .....	22	1	-	1	-
Construction .....	113	4	-	2	2
Transportation, communications, electric, gas, and sanitary services .....	457	54	6	27	21
Wholesale trade .....	163	23	-	7	16
Retail trade .....	410	505	1	336	168
Finance, insurance, and real estate .....	661	78	2	66	10
Services .....	1,132	784	272	194	318
Estimated number of part-time workers within scope of survey					
All industries .....		6,828,011	994,502	2,801,317	3,032,192
Manufacturing .....		222,236	53,883	80,936	87,417
Nonmanufacturing .....		6,605,775	940,619	2,720,381	2,944,775
Mining .....		1,060	-	1,060	-
Construction .....		48,402	-	39,847	8,555
Transportation, communications, electric, gas, and sanitary services .....		211,869	19,959	83,929	107,981
Wholesale trade .....		65,397	-	18,075	47,322
Retail trade .....		2,610,823	1,906	1,460,985	1,147,933
Finance, insurance, and real estate .....		411,101	1,574	395,713	13,815
Services .....		3,257,124	917,180	720,773	1,619,170

<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.

## Appendix C. Availability of Survey Data

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The tables published in this bulletin present the major findings of the Employee Benefits Survey of medium and large private establishments. Survey data are also available in research articles, special bulletins and reports, short publications, and electronic media.

Articles based on Employee Benefits Survey data are published periodically in the Bureau's *Monthly Labor Review* and *Compensation and Working Conditions*. The following is a list of recent articles:

Kramer, Natalie. "Employee Benefits for Older Workers," *Monthly Labor Review*, April 1995

Foster, Ann C. "Employee Benefits in the United States, 1993-94," *Compensation and Working Conditions*, Spring 1997

Wiatrowski, William J. "Methods of Providing Child-care Benefits to Employees," *Compensation and Working Conditions*, May 1995

Simpson, Hilery. "Paid Lunch and Paid Rest Time Benefits," *Compensation and Working Conditions*, December 1996

Wiatrowski, William J. "Small Businesses and Their Employees," *Monthly Labor Review*, October 1994

Wiatrowski, William J. "Counting the Incidence of Employee Benefits," *Compensation and Working Conditions*, June 1996

Foster, Ann C. "Employee Contributions for Medical Care Coverage," *Compensation and Working Conditions*, September 1996

Bucci, Michael and Grant, Robert B. "Employer-Sponsored Health Insurance: What's Offered; What's Chosen?" *Monthly Labor Review*, October 1995

Wiatrowski, William J. "Who Really Has Access to Employer-provided Health Benefits?" *Monthly Labor Review*, June 1995

Simpson, Hilery. "Short-term Disability Benefits," *Compensation and Working Conditions*, Summer 1997

Foster, Ann C. "Employee Participation in Savings and Thrift Plans, 1993" *Monthly Labor Review*, March 1996

Foster, Ann C. "Defined Contribution Retirement Plans Become More Prevalent," *Compensation and Working Conditions*, June 1996

Foster, Ann C. "Early Retirement Provisions in Defined Benefit Pension Plans," *Compensation and Working Conditions*, December 1996

Foster, Ann C. "Public and Private Sector Defined Benefit Pension Plans: A Comparison," *Compensation and Working Conditions*, Summer 1997

Weinstein, Harriet. "Post-retirement Pension Increases," *Compensation and Working Conditions*, Fall 1997

Special bulletins and reports focus on a single topic or combine related themes. Recent publications include:

*Employee Benefits for Union and Nonunion Workers, 1991-92*, Summary 94-7, July 1994

*Health Insurance: Employer Offering and Employee Choice in State and Local Governments, 1992*, Summary 94-12, September 1994

*Payouts from Employee Benefit Plans*, Bulletin 2436, December 1993

*Employee Benefits in the United States*, Summary 93-4, June 1993

*Employee Benefits in a Changing Economy: A BLS Chartbook*, Bulletin 2394, September 1992

*Substance Abuse Provisions in Employee Benefit Plans*, Bulletin 2412, August 1992

*Issues in Labor Statistics* is one of a series of BLS occasional reports that present information of current interest. Recent reports on employee benefits include:

*Parental Leave Benefits Provided by Employers, Summary Employers*, Summary 93-1, March 1993  
*Health Care Benefits Under Close Scrutiny*, Summary 93-2, March 1993

Electronic data are also available. Through the BLS LABSTAT on-line data service, users may access Employee Benefits Survey news releases and historical data on major benefit incidences and provisions.

More information may be obtained by writing the Employee

Benefits Survey, Bureau of Labor Statistics, 2 Massachusetts Avenue, NE., Room 4160, Washington, DC 20212-0001. Public information is also available by telephone at 202-606-6222.