

**Table 18. Traditional defined benefit plans: Early retirement reductions,<sup>1</sup> state and local government workers, 2016**

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

Characteristics	Flat percent per year reduction <sup>2</sup>	Reduction varies by age or service <sup>3</sup>	Actuarial reduction <sup>4</sup>	Other reduction <sup>5</sup>	Not determinable
All workers .....	38	41	21	—	( <sup>6</sup> )
<b>Worker characteristic</b>					
Management, professional, and related .....	37	40	23	—	( <sup>6</sup> )
Professional and related .....	37	40	24	—	—
Teachers .....	35	38	27	—	—
Primary, secondary, and special education school teachers .....	35	38	27	—	—
Service .....	35	42	22	—	—
Protective service .....	37	46	17	—	—
Sales and office .....	42	43	15	—	—
Office and administrative support .....	42	43	15	—	—
Natural resources, construction, and maintenance .....	40	48	11	—	( <sup>6</sup> )
Production, transportation, and material moving .....	40	41	19	—	—
Full time .....	38	40	21	—	( <sup>6</sup> )
Part time .....	31	54	16	—	—
Union .....	45	46	9	—	—
Nonunion .....	31	36	33	—	( <sup>6</sup> )
Average wage within the following categories: <sup>7</sup>					
Lowest 25 percent .....	32	43	25	—	—
Lowest 10 percent .....	29	43	29	—	—
Second 25 percent .....	40	43	17	—	—
Third 25 percent .....	38	42	21	—	( <sup>6</sup> )
Highest 25 percent .....	40	38	22	—	—
Highest 10 percent .....	40	47	14	—	—
<b>Establishment characteristic</b>					
Service-providing industries .....	38	41	21	—	( <sup>6</sup> )
Education and health services .....	37	38	26	—	—
Educational services .....	37	36	27	—	—
Elementary and secondary schools .....	35	37	27	—	—
Junior colleges, colleges, and universities ...	42	31	27	—	—
Healthcare and social assistance .....	34	52	—	—	—
Hospitals .....	33	52	—	—	—
Public administration .....	39	47	13	—	( <sup>6</sup> )
1 to 99 workers .....	39	47	13	—	( <sup>6</sup> )
1 to 49 workers .....	37	50	13	—	—
50 to 99 workers .....	41	45	14	—	( <sup>6</sup> )
100 workers or more .....	37	39	24	—	—
100 to 499 workers .....	41	47	12	—	—
500 workers or more .....	35	35	30	—	—
State government .....	39	42	19	—	—
Local government .....	37	41	22	—	( <sup>6</sup> )

See footnotes at end of table.

**Table 18. Traditional defined benefit plans: Early retirement reductions,<sup>1</sup> state and local government workers, 2016—continued**

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

Characteristics	Flat percent per year reduction <sup>2</sup>	Reduction varies by age or service <sup>3</sup>	Actuarial reduction <sup>4</sup>	Other reduction <sup>5</sup>	Not determinable
<b>Geographic area</b>					
Northeast .....	39	58	—	—	( <sup>6</sup> )
New England .....	78	14	—	—	—
Middle Atlantic .....	26	72	—	—	( <sup>6</sup> )
South .....	37	24	39	—	—
South Atlantic .....	60	28	13	—	—
East South Central .....	30	—	58	—	—
West South Central .....	5	22	73	—	—
Midwest .....	47	32	21	—	—
East North Central .....	46	28	26	—	—
West North Central .....	49	38	—	—	—
West .....	30	62	8	—	—
Mountain .....	—	65	—	—	—
Pacific .....	38	61	—	—	—

<sup>1</sup> Early retirement is the age, length of service, or combination of age and length of service, requirements at which plan participants may retire and receive all accrued benefits, minus a reduction or penalty.

<sup>2</sup> Reflects a reduction in the benefit amount for each year by which early retirement precedes normal retirement. In specific cases, flat percent per year 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> The rate of reduction is held constant within age brackets, but differs among brackets, sometimes in approximation of an actuarial table. For example, benefits may be reduced by 3 percent for each year between age 60 and the plan's normal retirement age, and by 6 percent for each year retirement precedes age 60. Also includes some plans that reduce benefits arithmetically for each year immediately below normal retirement age and actuarially below a specified age, usually 55.

<sup>4</sup> The amount of the normal retirement benefit is reduced based on actuarial assumptions, so that on average, the beneficiary receives the same total lifetime benefit regardless of retirement age.

<sup>5</sup> Reduction not derived from normal retirement formula.

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

<sup>7</sup> Surveyed occupations are classified into wage categories based on the average wage for the occupation, which may include workers with earnings both above and below the threshold. The categories were formed using percentile estimates generated using data from the National Compensation Survey publication, "Employer Costs for Employee Compensation - March 2016."

Note: Because of rounding, sums of individual items may not equal totals. Dashes indicate that no data were reported or that data do not meet publication criteria. For definitions of major plans, key provisions, and related terms, see the "Glossary of Employee Benefit Terms" at [www.bls.gov/ncs/ebs/glossary20162017.htm](http://www.bls.gov/ncs/ebs/glossary20162017.htm).

Source: Bureau of Labor Statistics, National Compensation Survey.