

What statistics does the BLS provide on frozen defined benefit plans?

The Bureau of Labor Statistics first published the [Employee Benefits in Industry: A Pilot Survey](#) in 1980, which was two years before the creation of the first 401(k) plan. Retirement plans are presently classified as either defined benefit or defined contribution plans.

In 2019, 26 percent of civilian workers had access to defined benefit plans, including 16 percent of private industry workers and 86 percent of state and local government workers. A defined benefit retirement plan provides a guaranteed benefit based on a fixed formula, such as a pension. In the recent past, the decisions of different major companies to freeze defined benefit plans has made headlines. But what does that mean for their workers?

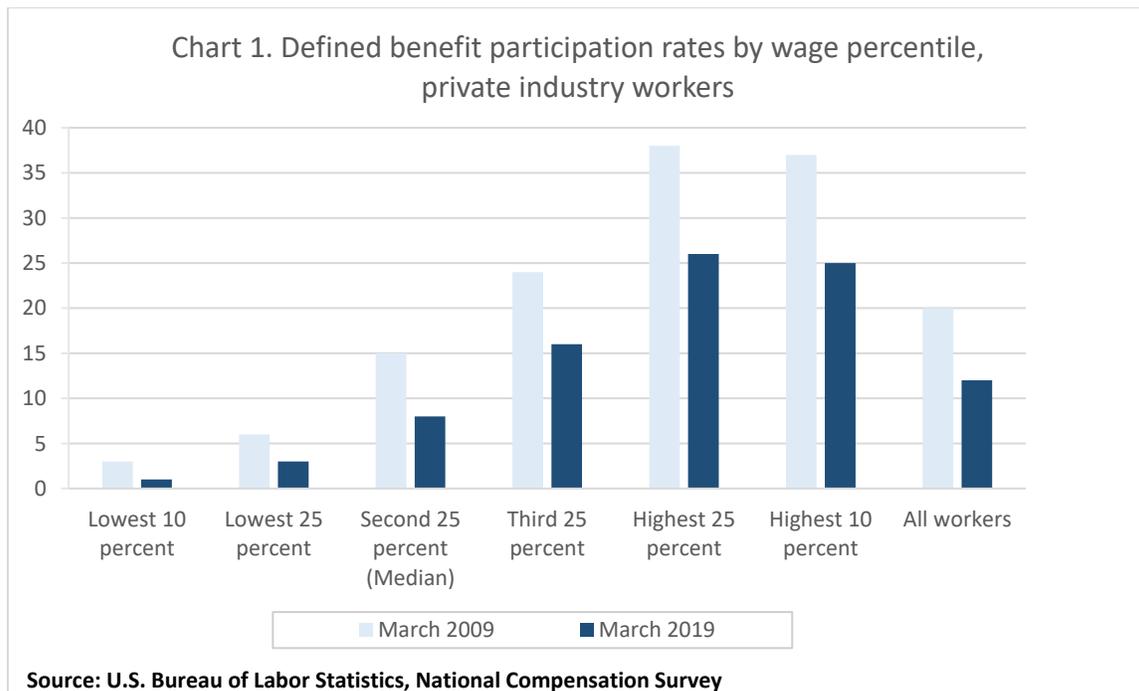
What is a “freeze”?

A company freezing a plan typically means that the plan is closed to new enrollees and has limited future benefit accruals for some or all active plan participants. Some frozen plans may no longer allow current participants to accrue additional benefits, which is considered a hard freeze. Others may change the plan's prospective benefit formula in such a way as to limit or cease future benefit accruals for some active participants (a “soft freeze”). The length of time is calculated based on the year the plan was modified.

The Bureau of Labor Statistics first published information on frozen retirement plans in [2009](#), initially by only publishing data on “open” and “frozen” plans, and then adding more nuance to the “frozen” definition in 2014 by including the distinction between “soft freeze” and “hard freeze” plans. Today the Employee Benefits in the United States publication provides statistics on the percentage of workers having access to open, soft frozen or hard frozen plans, on the time since frozen defined benefit plans stopped accruing benefits, and on plan alternatives. In 2019, of the civilian workers participating in defined benefit plans, 53 percent had open defined benefit retirement plans, 38 percent had soft frozen plans, and 7 percent had hard frozen plans.

Participation rates for defined benefit plans

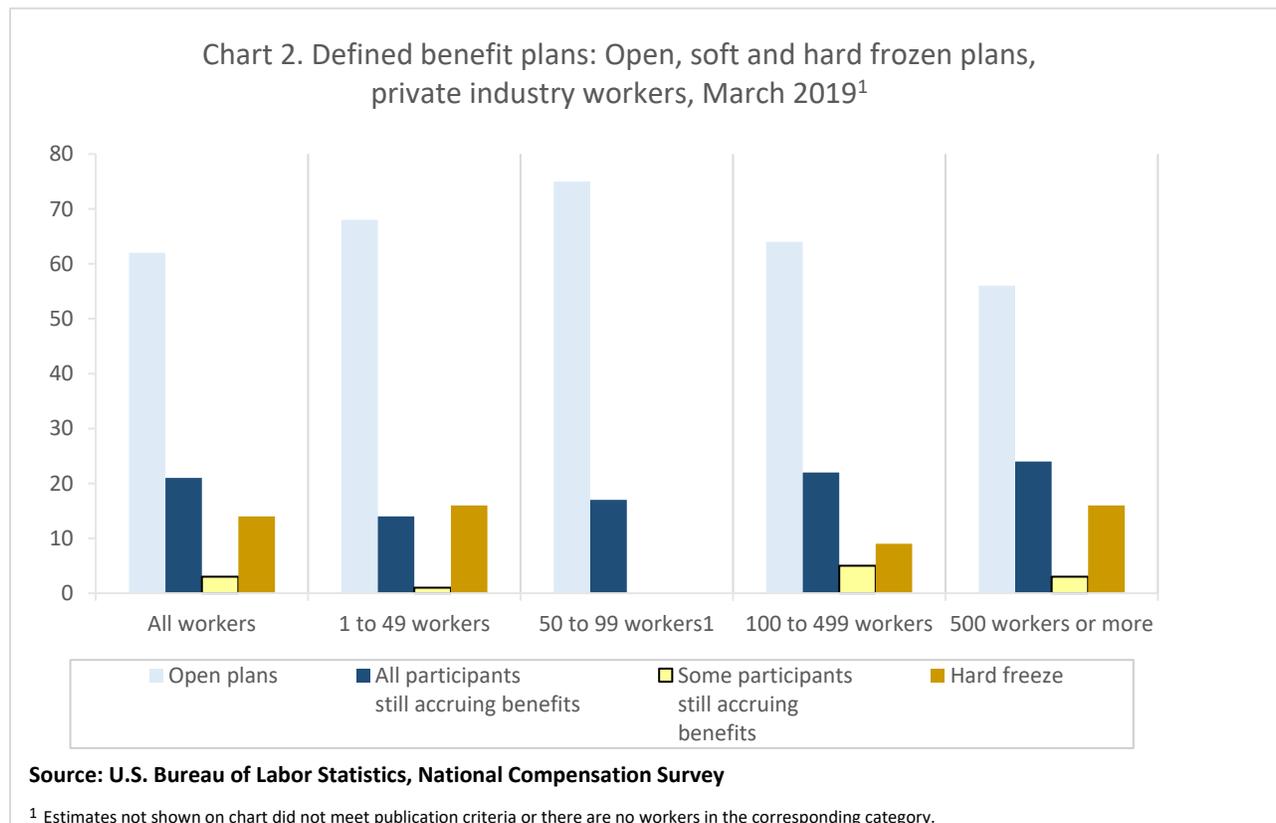
Before delving into further data available for frozen plans, it is important to note worker participation rates in defined benefit plans. Chart 1 illustrates participation rates for private industry workers in March 2009 and in March 2019 by wage percentile. The all worker private industry participation rate was 20 percent in March 2009 and 12 percent for March 2019.



Defined benefit retirement plans: Open, soft and hard frozen plans

In March 2019 out of all private industry workers participating in defined benefit plans, 62 percent participated in a plan open to new participants. Twenty-four percent of private industry workers participated in a soft frozen plan. NCS – Benefits data on soft frozen plans distinguishes between the ones where all participants still accrue benefits and those where some participants do so.

Fourteen percent of private industry workers participated in a hard frozen defined benefit plan. Participants in these plans stop accruing benefits on the date the plan is frozen. The benefit the employee receives is calculated as of the day the plan was frozen.

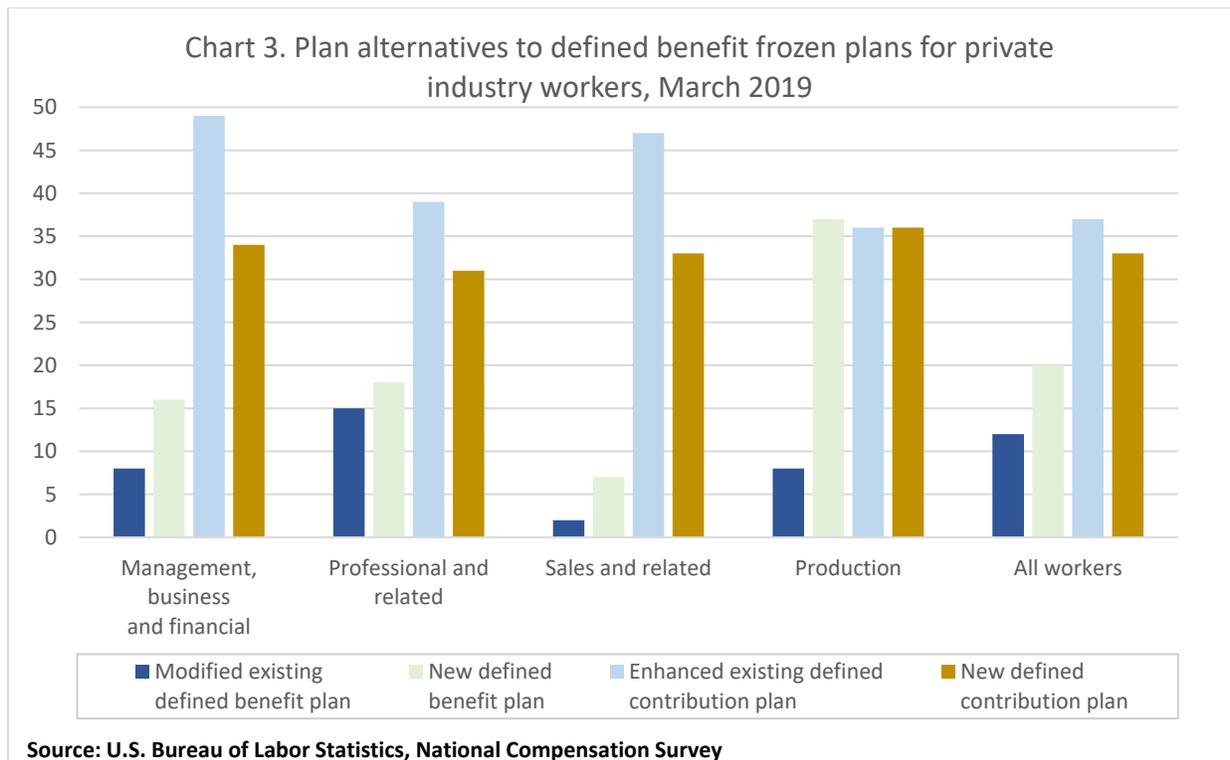


Plan alternatives to defined benefit frozen plans

The Employee Benefits in the United States publication also provides statistics on whether workers have alternatives, and what alternatives workers have to frozen defined benefit plans. Estimates are available for these alternatives are: a modified existing defined benefit plan, a new defined benefit plan, an enhanced existing defined contribution plan, and a new defined contribution plan.

Ninety-two percent of the 38 percent private industry workers participating in frozen defined benefit plans had some alternative. An enhanced existing defined contribution plan was the most common alternative for private industry workers. In the case when employers may already have a defined contribution plan, they can provide an incentive to those affected by a defined benefit freeze to switch to the defined contribution plan. Unlike the new defined benefit plan alternative, an enhanced existing defined contributionⁱ plan is more readily available to nonunion workers and workers within the service-providing industriesⁱⁱ. Chart 3 illustrates the breakout of plan alternatives for selected occupational groups.





Additional resources:

[NCS Glossary of Employee Benefit Terms](#) — provides definitions of major plans, key provisions, and related terms.

[Handbook of Methods: National Compensation Measures](#) — provides information on the survey design, calculations, weighting, and imputation methods used to produce NCS estimates of compensation. Information on calculating the reliability of estimates (standard errors) is included in the [calculation section](#).

Factsheets:

- [Paid sick leave: What is available to workers? \(PDF\)](#)
- [Flexible benefits in the workplace \(PDF\)](#)
- [Flexible work schedule and student loan repayment](#)
- [Medical care premiums in the United States](#)
- [What data does the BLS publish on family leave?](#)
- [Holiday profiles](#)
- [Access to paid personal leave](#)
- [Unmarried domestic partner benefit fact sheet, March 2013](#)

Historical data

For historical information on the cost, coverage, and provisions of employer–sponsored benefit plans see the [NCS publications list](#). BLS advises against making comparisons with previously published benefits estimates due to changes in weighting and sample rotation.

ⁱ Examples of enhancements to existing defined contribution plans include increasing employer contribution, improving fee transparency, reducing vesting requirements, etc.

ⁱⁱ Alternatives to frozen defined benefit plans ([PDF](#)).

