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Employee Benefits in Medium and Large Firms, 1984



U.S. Department of Labor
Bureau of Labor Statistics
June 1985

Bulletin 2237

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Preface

This bulletin presents results of a 1984 Bureau of Labor Statistics survey of the incidence and provisions of employee benefits in medium and large firms. This survey—the sixth in an annual series—provides representative data for 21 million full-time employees in a cross-section of the Nation's private industries. It was initially designed to provide the Office of Personnel Management with information on private sector practices for use in comparisons with benefits of Federal workers. The survey's scope, therefore, is the same as that of an annual Bureau survey of occupational salaries in the private sector—National Survey of Professional, Administrative, Technical, and Clerical Pay—which is currently used in the Federal pay comparability process for white-collar workers. Appendix A provides a detailed description of the scope and statistical procedures used in the benefits survey.

The reader is cautioned against analyzing trends beginning with a pilot survey in 1979. Due to the experimental nature of the initial surveys, differences in the results reflect not only changes in benefit practices in private industry, but also improvements in procedures and techniques since the earlier studies. Nevertheless, several changes have been identified in this bulletin that demonstrate actual trends in benefit provisions.

This bulletin was prepared in the Office of Wages and Industrial Relations by the staff of the Division of Occupational Pay and Employee Benefit Levels. Fieldwork for the survey was directed by the Bureau's Assistant Regional Commissioners for Operations.

Pictured on the cover of this bulletin is *Gone Fishing* by Norman Rockwell, reprinted with permission from *The Saturday Evening Post* (c) 1930 by The Curtis Publishing Company.

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Employee Benefits in Medium and Large Firms, 1984

The 1984 survey collected data on employee work schedules and developed information on the incidence and detailed characteristics of 11 private sector employee benefits paid for at least in part by the employer: Paid lunch and rest periods, holidays, vacations, and personal and sick leave; sickness and accident, long-term disability, health, and life insurance; and private retirement pension plans. (See charts 1 and 2.) In addition, data were collected on the incidence of 18 other employee benefits, including stock, savings and thrift, and profit sharing plans; nonproduction bonuses; employee discounts; educational assistance; relocation allowances; and free or subsidized parking. The major survey findings are reported in this bulletin.

The survey covered full-time employees in medium and large establishments (generally those with at least 100 or 250 employees, depending upon the industry). Because data collection was limited to provisions of formal plans, the extent of such benefits as rest periods and personal leave may be understated. Furthermore, the data show the coverage of benefit plans but not the actual use of these benefits; for example, that part of paid sick leave actually used.

Data are presented separately for three occupational groups—professional-administrative, technical-clerical, and production workers. The text of this bulletin often discusses the first two groups jointly, labeled white-collar workers, in contrast with production or blue-collar workers.

Respondents provided information on the number of workers covered by specified benefit plans. Workers were counted as covered by wholly employer-financed plans that required a minimum amount of service prior to receiving benefits, even if they had not met the minimum service requirement at the time of the survey. Where plans—such as health or life insurance—required an employee to pay part of the cost (contributory plans), workers were counted only if they elected the plan and were paying their share of the cost. Data on insured benefit plans and private retirement pension plans were thus limited to “participants.” Plans for which only administrative costs were paid by the employer were not included in the survey.¹

¹ An exception, however, was made in table 38, which tabulates postretirement life insurance coverage. Plans under which retirees pay the full cost were included since the guarantee of insurability at retirement was, in itself, considered a benefit.

Summary

The great majority of full-time workers within the scope of the 1984 survey of employee benefits were provided with health and life insurance and private retirement pension plans as well as paid holidays and vacations (table 1). Although the employer generally paid the full cost of providing benefits, a greater percent of employees shared in the cost of health insurance in 1984 than in 1983. Provisions of many employee benefits differed markedly between white-collar and production workers.

On the average, employees received about 10 paid holidays each year. The number of days of paid vacation, increasing with years of service, averaged nearly 16 days after 10 years and 21 days after 20 years.

Ninety-four percent of all employees had some protection against loss of income due to short-term disability—either sick leave or sickness and accident insurance, or both. Sick leave generally continued the worker's full salary beginning on the first day of an illness or accident, while insured benefits replaced less than full pay and began after an initial waiting period. Most employees also had some protection against extended income loss due to disability; 47 percent had long-term disability insurance, and 46 percent were covered under private pension plans that provided immediate disability retirement benefits.

Virtually all of the participants in health insurance plans were covered for most categories of expenses related to hospital and medical care. Life insurance was provided for nearly all employees, most commonly for an amount equal to annual earnings, rounded to the next \$1,000.

Eighty-two percent of the employees in the survey were covered by private retirement pension plans. Benefits were most frequently based on earnings during the last 5 years of employment. Common eligibility requirements for normal retirement were: Age 65 with no specified length-of-service requirement, age 62 with 10 years of service, and 30 years of service with no age requirement. Virtually all covered employees could retire early with a reduced pension, provided they fulfilled minimum age and service requirements (most commonly, age 55 with 10 years of service).

Funeral leave, military leave, subsidized parking, and full or partial defrayment of educational expenses were available to at least three-fifths of the employees. Eli-

Chart 1. Paid time off: Percent of full-time employees covered, medium and large firms, 1984

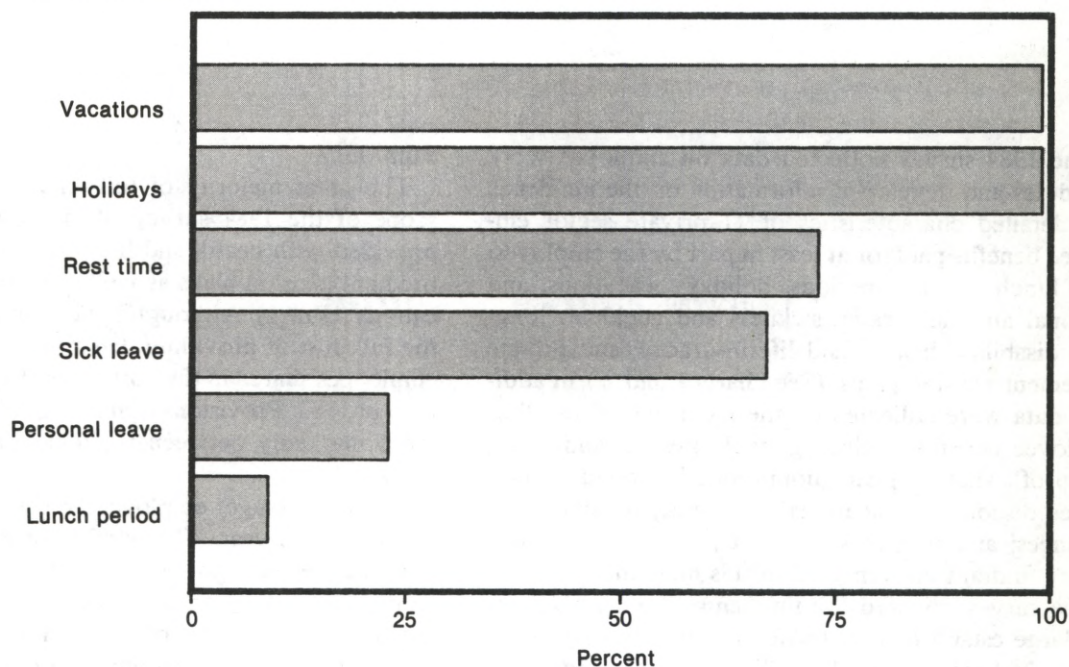
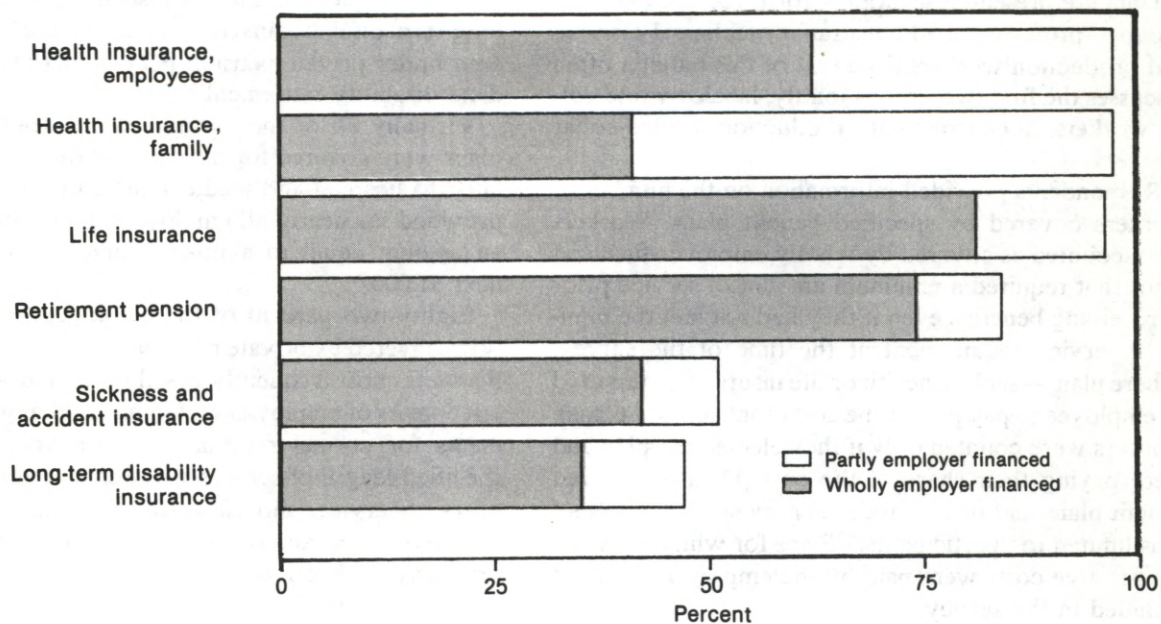


Chart 2. Insurance and pension plans: Percent of full-time employees covered, medium and large firms, 1984



gibility for profit sharing, savings and thrift, and stock ownership plans was not as common; nevertheless, availability of these capital accumulation plans has grown substantially in recent years.

Work schedules

(table 2)

Straight-time work schedules of 40 hours per week applied to 85 percent of the employees covered by the survey. (Work schedules included lunch and rest periods only if they were paid.) Nineteen percent of the professional-administrative employees, 27 percent of the technical-clerical employees, and 6 percent of the production workers had shorter workweeks. Less than 2 percent of the work force was scheduled to work other than a 5-day week.

Paid lunch and rest periods

(tables 3 and 4)

Nine percent of the employees received formal paid lunch periods, and 73 percent were provided formal rest time, such as coffee breaks and clean-up time. Both benefits were more common among production employees than among the two other occupational groups.

Paid rest time, averaging 26 minutes a day for each occupational group, was provided most commonly as two daily breaks of 10 or 15 minutes each. Production employees who were covered by paid lunch plans usually received 20 or 30 minutes a day, averaging 24 minutes. The 3 percent of white-collar workers eligible averaged 37 minutes of paid lunch time each day.

Paid holidays

(tables 5, 6, and 8)

Virtually all full-time employees in each occupational group were provided paid holidays, averaging 9.8 days—the same as in 1983. Extended holiday plans, such as the Christmas-New Year's Day period provided in the auto industry, floating holidays, and "personal holidays," such as employee birthdays, were included in the holiday plans reported.

When a holiday fell on a scheduled day off, such as a Saturday or Sunday, another day off was regularly granted to 86 percent of the employees. Most of the remaining workers received either another day off or an additional day's pay, depending upon the day on which the holiday fell.

Paid vacations

(tables 7, 8, and 9)

After 15 years of service, full-time employees commonly received 20 days of paid vacation annually. Length-of-vacation provisions averaged 8.6 days after 1 year; 15.6 days after 10 years; and 22.3 days after 25 years of service, virtually unchanged since 1980—the first year such estimates were developed. Plans cover-

ing professional-administrative employees generally provided more vacation days than those for other employees. Sixty percent of the professional-administrative employees, for example, became eligible for at least 15 days of vacation after 5 years of service; this compared with 32 percent of the production employees. Nearly all white-collar employees received their regular salaries or earnings during vacation periods. About seven-eighths of the production employees received such vacation pay; 13 percent were provided vacation payments based on a percentage of annual earnings; and 1 percent received lump-sum payments from vacation funds.

Virtually all employees covered by vacation plans had to work for a specified period before being able to take a vacation. The most prevalent length-of-service requirement was 6 months for white-collar employees and 1 year for production employees.

Seventeen percent of the plan participants were allowed to cash in unused vacation time. This option was offered to 9 percent of the white-collar participants and 25 percent of the production participants.

Anniversary-year bonus vacation days, such as an extra week of vacation at 10 and 20 years of service, were included in the count of regular vacation time. Extended vacation plans, however, were excluded.²

Personal leave

(table 10)

Formal personal leave, which allows employees to be absent from work with pay for a variety of reasons not covered by other specific leave plans, was provided to slightly less than one-fourth of the employees. Nearly one-third of the white-collar employees received personal leave, twice the proportion of production employees with this benefit. Most commonly, employees provided personal leave were eligible for 1 to 5 days, averaging 3.6 days per year. In cases where personal leave was part of an "annual leave" plan (combined vacation and personal leave) and could not be shown separately, it was reported as vacation time. The survey did not cover the extent of informal personal leave.

Short-term disability benefits

(tables 11-17)

Workers may be protected against loss of income due to a short-term disability through paid sick leave, usually providing 100 percent of their normal earnings, or sickness and accident insurance, commonly replacing

² Under collective bargaining agreements negotiated in 1983 in the aluminum and can industries, employees continue to receive extended vacations. The aluminum contract provides for 10 weeks off with 13 weeks' pay, in addition to regular vacation, every seventh year. The can agreement calls for 13 weeks' paid vacation, including regular vacation, every 5 years beginning with the fifteenth year of service. Contract negotiations in 1983 between the Steelworkers and the major steel companies eliminated provisions for extended vacation plans.

50 to 70 percent of pay. Short-term disability protection was available to 94 percent of all employees in the survey, including 24 percent covered by both sick leave and sickness and accident insurance. Paid sick leave was most often provided to white-collar workers, while sickness and accident insurance was more often a benefit for production workers.

Employers coordinate sick leave benefits with sickness and accident insurance either by starting insurance benefits after sick leave pay has ended, or by paying both benefits concurrently. When payments are made from both sources, sick leave pay is reduced by the amount of the insurance benefits so that the total benefit does not exceed full salary. Regardless of the linkage approach, employers offering sickness and accident insurance tend to allow fewer sick leave days than those without such insurance. At 5 years of service, for example, annual sick leave plans coordinated with insurance averaged 15 days at full pay—23 days fewer than similar plans without insurance. This gap widened as years of service increased.³

Sick leave plans. Seventy-two percent of the employees covered by paid sick leave plans were allowed a specified number of days per year (annual sick leave plans). Another 21 percent of the participants were provided sick leave for each occurrence of illness (per-disability plans), while most of the remainder were covered by both annual and per-disability benefits. The number of days of sick leave granted varied widely by the type of sick leave plan as well as by specific provisions of each plan.

For employees covered by annual sick leave plans, the number of days may be uniform throughout a worklife or increase with seniority. The graduated benefits showed sharp increases in the first 5 years of service, more moderate increases through 15 years, and leveled off thereafter.

Because annual sick leave plans do not renew benefits after each illness, nearly two-fifths of the employees covered were allowed to accumulate unused sick leave (cumulative plans). Such plans typically granted fewer days per year than plans in which unused days were not accumulated. For example, at 20 years' service, cumulative annual plans averaged 19.1 days at full pay, while noncumulative plans averaged 61.7 days.

Most per-disability sick leave plans increased benefits with years of service, and generally provided more days of paid leave than annual plans. The average number of days at full pay was 48.7 at 1 year of service, 71.2 at 5 years of service, 101.3 at 15 years of service, and 130.9 at 25 years of service.

About one-fourth of sick leave participants, usually

under per-disability plans, had partial pay benefits available after full-pay benefits ended. Another 2 percent of the participants had only partial-pay benefits available.

Sick leave plans commonly had a short service requirement, generally 3 months, before new employees became eligible for benefits. After attaining eligibility, 83 percent of the participants with 1 year of service were in plans providing benefits on the first day of illness. The remainder typically had to wait 1 to 5 workdays, with the waiting period often decreasing to zero days after 10 or 15 years of service.

Sickness and accident insurance. Half of all employees were protected against absences from work due to short-term disabilities by sickness and accident insurance plans. More than four-fifths of such employees had their benefits fully paid by their employer. Those who were required to contribute toward the cost of coverage most often paid a fixed amount, usually between \$2 and \$3 a month. Most of the others paid a percent of monthly earnings, or had the cost included in the premium of an insurance package.

Payments under sickness and accident insurance plans were either a percent of employee earnings or a scheduled dollar amount. The percent of earnings was usually fixed—almost always between 50 and 70 percent—although percents varying by service and length of disability were also observed. Plans paying a percent of earnings covered 82 percent of the white-collar participants, compared with 36 percent of the blue-collar participants. These plans often had a dollar limit on the amount of the weekly benefit available; such limits have risen steadily since they were first recorded in 1981. Production workers were the most common recipients of scheduled dollar benefits, which provided either a fixed weekly amount (ranging from under \$60 to over \$140), or varying weekly benefits (usually based on earnings).

The maximum weeks of coverage for each disability were fixed for all but 11 percent of participants, for whom duration of coverage varied by length of service. Of those participants with benefits lasting for a fixed period, most had 26 weeks of coverage. Other common periods were 13 and 52 weeks.

Sickness and accident insurance, unlike sick leave, usually requires a waiting period before benefits begin. The most common provision requires an employee to be out of work due to illness or injury some short period, usually 3 to 7 days, before payments begin. Waiting periods may be shortened or eliminated entirely for employees involved in an accident or hospitalized.

Workers in two States, New Jersey and New York, are covered by mandatory temporary disability insurance plans that are at least partially employer financed. Both of these State plans pay benefits based on a percentage of the worker's earnings for up to 26 weeks

³For further analysis of short-term disability protection, see William J. Wiatrowski, "Employee Income Protection Against Short-term Disability," *Monthly Labor Review*, February 1985, pp. 32-38.

with a limit on the weekly benefit (\$135 in New York and \$158 in New Jersey during the 1984 survey period).⁴

Long-term disability insurance

(tables 18 and 19)

Long-term disability insurance (LTD) continues the income of employees during extended periods of disability. Generally, LTD begins after sick leave and sickness and accident insurance are exhausted and continues as long as the employee remains disabled, or until retirement age. If disabled after age 60, however, LTD benefits usually continue for 5 years or to age 70, whichever is earlier.

Forty-seven percent of the employees covered by the study had LTD insurance; one-fourth of the participants were required to contribute toward the cost of the plans. The amount of LTD insurance usually varied by earnings, as did the cost to the employee. When a flat rate was charged, employees usually paid under 0.5 percent of their earnings. In plans charging a monthly amount per \$100 of covered earnings, the rate was normally less than 60 cents.

The degree of participation varied widely among the employee groups, with white-collar workers twice as likely to have LTD insurance as production workers. However, many employees not covered under LTD insurance are eligible for an immediate disability pension through their retirement plan; 46 percent of the employees (nearly three-fifths of the production workers) were covered by immediate disability retirement provisions.

Long-term disability benefits were usually 50 or 60 percent of monthly pay. Most of the plans that pay a percent of predisability earnings had maximum payment limitations—commonly \$1,500 to \$5,000 a month.

Slightly over one-fifth of the participants were in plans that provided a benefit which was not a fixed percent of earnings, but was a variable percentage of earnings, a flat dollar amount, or a scheduled dollar amount dependent on earnings, length of service, or length of disability. Production employees were twice as likely to be covered under these formulas as white-collar employees.

A ceiling on income during disability was a common limitation to LTD payments, regardless of the type of plan. These ceilings affected benefits only if the amount payable from the LTD plan plus income from other sources, such as rehabilitative employment and family Social Security payments, exceeded a specified percentage of predisability earnings (frequently 70 to 75 per-

cent). Seven-tenths of the LTD participants were limited by these income ceilings, by the dollar maximums in plans that pay a percent of earnings, or by a combination of both.

Health insurance

(tables 20–34)

Almost all of the workers covered by the survey were provided health insurance. Sixty-three percent of the workers were in plans which extended coverage to retirees, although retiree contribution requirements and the level of coverage maintained (including Medicare) sometimes varied from those of active workers.

Virtually all of the participants in health insurance plans were covered for the major categories of medical care, such as hospital room and board, care by physicians and surgeons, diagnostic X-ray and laboratory work, prescription drugs, and private duty nursing. Among benefits less commonly provided were vision care (30 percent), hearing care (14 percent), and routine physical exams (8 percent). Unlike most other employee benefits, there were few differences in health insurance provisions among employee groups.

In line with efforts to contain costs of health care, an increasing number of plans provided less expensive alternatives to a hospital stay. Coverage for treatment in extended care facilities increased from 58 percent of plan participants in 1983 to 62 percent in 1984; coverage for home health care rose from 37 percent to 46 percent; and hospice care, an alternative to hospitalization for terminally ill patients, was available to 11 percent in 1984, the first year this item was tabulated.

The various categories of medical care are covered under 1 of 3 benefit arrangements: Basic benefits only, which generally have no deductible or coinsurance provisions;⁵ major medical benefits only, which usually have both deductible and coinsurance provisions; or basic benefits plus major medical. In-hospital care was most commonly covered by an arrangement that offered basic coverage plus supplemental coverage under major medical benefits. Certain categories of medical care, such as private duty nursing, visits to a physician's office, and prescription drugs, usually were covered only under major medical benefits. Dental and vision care were almost exclusively covered as basic benefits. Regardless of the benefit arrangement used, most health plans limited the size of benefit payments.

Hospital coverage. The most costly component of health care is that provided by a hospital. Nearly one-

⁴Both States permit an employer to substitute a private plan for the State plan if the benefits provided are equivalent or more liberal. 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.

⁵The deductible is a specified amount of medical expense that an insured person must incur before benefits will be paid by the plan. Coinsurance is a provision where both the (insured) participant and the insurer share, in a specified ratio, the health care expenses resulting from an illness or injury. The coinsurance percentage is the share paid by the plan.

half of all personal health care expenditures in the United States are for hospital care.⁶ Virtually all of the participants in health plans analyzed in this study received coverage for hospital expenses. Although most employees' insurance covers all initial hospital room expenses, a growing minority must pay part of the first-dollar costs. The percent of health plan participants that have only major medical coverage and, therefore, are required to pay both an initial deductible and a percentage of subsequent hospital room charges increased to 28 percent in 1984, from 19 percent in 1983 and 12 percent in 1982. Of the 71 percent with basic hospital coverage, 5 percent must pay a specified amount per confinement or, in some cases, pay for the first day of confinement.

Of those that received basic hospital coverage, 94 percent were in plans that paid room and board expenses up to the semiprivate rates, providing some protection against rising hospital charges. Nearly nine-tenths of the participants in basic hospital plans had limited duration of coverage. Seven-tenths had plans which specified the maximum number of days covered per confinement, most commonly 120 or 365 days. Most of the remaining plans limited the duration of coverage by specifying a maximum dollar amount per confinement or per year.⁷ Additional coverage was usually available under a major medical plan for cases that exceeded these limitations.

Surgical coverage. Seventy-one percent of health plan participants had basic coverage for surgery in 1984. Seven-tenths of these participants had plans with payments based on the "usual, customary, and reasonable" charge for the procedure performed, up from three-fifths in 1979. Although most of these plans paid 100 percent of such charges, slightly over one-fifth of the participants were in plans that paid between 80 and 95 percent or imposed an overall dollar limit on surgical payments. The remaining participants with basic surgical benefits were covered by a schedule of payments, listing the maximum amount covered for each operation. Charges in excess of the scheduled amount were usually covered by a major medical plan.

Major medical coverage. Major medical benefits, provided to nine-tenths of the health insurance participants, generally covered a wide range of medical services both

in and out of the hospital. There are two types of major medical plans: One type supplements basic benefits by covering expenses which exceed basic benefit limitations or by covering expenses not paid by the basic plan; the other type is comprehensive and stands alone without basic plan coverage. Comprehensive major medical policies have been embraced by employers seeking to contain costs of providing health care by eliminating first-dollar coverage.⁸

With very few exceptions, major medical benefits were not paid until the participants paid a certain amount of the expenses. The purpose of this deductible portion is to keep the premium cost down and discourage unnecessary use of medical services. A deductible amount of \$100 has been the most common since the survey's inception in 1979, applying to nearly half of all plan participants. However, 21 percent were required to pay deductibles of \$150 or more in 1984, up from 12 percent in 1983 and 8 percent in 1982 (chart 3). The frequency of higher amounts was lower for production workers.

Once the worker meets the deductible requirement, the plan pays a specified percentage (coinsurance) of incurred expenses. Almost seven-eighths of the participants were in plans that paid 80 percent of expenses, with the remaining 20 percent to be paid by the worker. For three-fourths of the participants, however, the percentage paid by the plan increased to 100 percent after a specified level of expenses was incurred during a year. For example, a plan might pay 80 percent of the first \$5,000 of covered expenses and 100 percent thereafter, thus limiting the employee's "out-of-pocket" cost to \$1,000 (in addition to the deductible). Plan limits such as days of coverage, number of visits a year, or payment schedules, however, are still in effect after the specified level of expenses has been reached.

By requiring employees to help pay the initial covered expenses during an illness or accident, insurers of major medical policies are able to absorb the full expenses of an infrequent catastrophic illness without substantial increases in premium costs to the employer or worker. Growth of this catastrophic coverage has increased rapidly since 1979, when less than one-half of the major medical participants were covered.⁹

Benefits for 82 percent of major medical participants were subject to a ceiling on the amount payable by the plan, usually a lifetime maximum. The most common

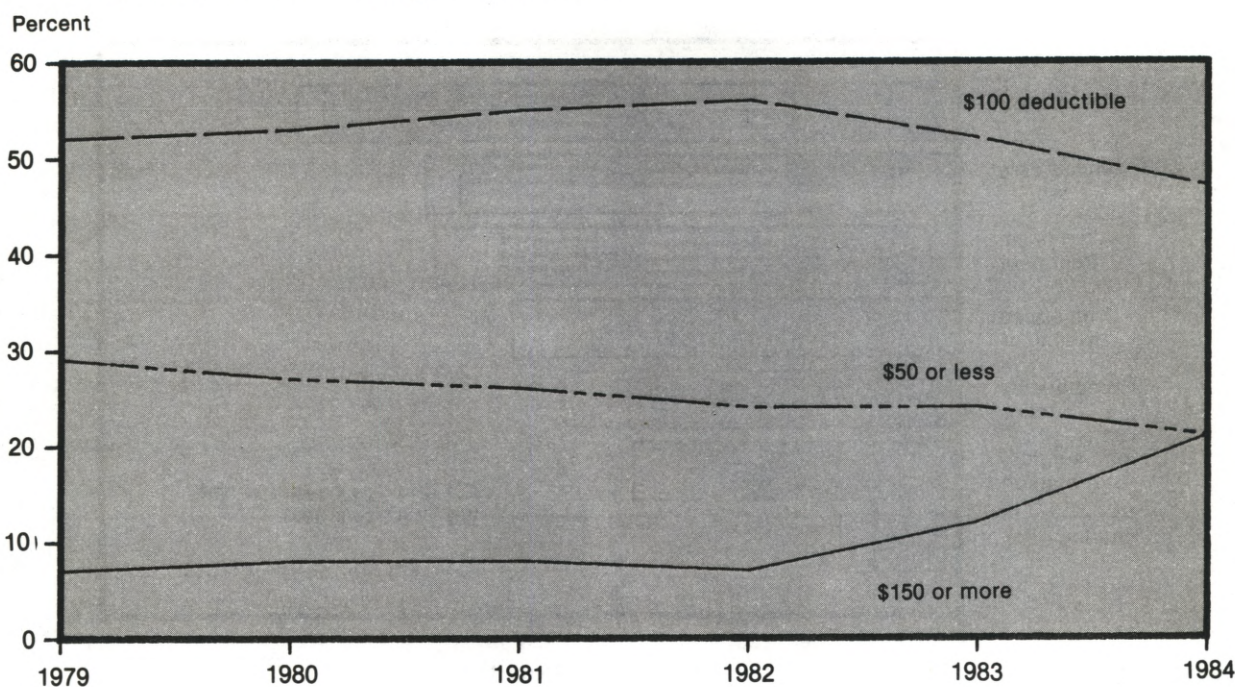
⁶"Health Spending Trends in the 1980s: Adjusting to Financial Incentives," *Health Care Financing Review*, Spring 1985 (U.S. Department of Health and Human Services, Health Care Financing Administration), pp. 1-26.

⁷This limitation was commonly found in "comprehensive major medical plans." These plans usually covered hospital expenses in full up to a specified dollar amount per confinement (typically between \$2,000 and \$5,000) and 80 percent thereafter. For this study, the full-coverage portion was treated as a basic benefit and the 80-percent portion as major medical.

⁸Comprehensive major medical plans can be broken down into strict and modified varieties. All expenses covered are subject to the deductible and coinsurance provisions under the strict version whereas the modified version might cover hospital, or hospital and surgical, expenses in full up to a specified dollar amount without the application of a deductible. (Also, see footnote 7.)

⁹Recent trends in major medical benefits are examined by Douglas Hedger and Donald Schmitt in "Trends in Major Medical Coverage During a Period of Rising Costs," *Monthly Labor Review*, July 1983, pp. 11-16.

Chart 3. Trends in selected deductible amounts: Percent of full-time participants in major medical plans, medium and large firms, 1979-84



limitation was \$250,000. However, since many plans specified higher amounts, the average lifetime maximum was \$486,000—an increase of nearly \$100,000 since 1983 and \$150,000 since 1982.

Dental coverage. The dramatic increase in employer-provided dental care slackened in 1984, as the incidence among professional-administrative workers remained stable. Gains, however, continued for the other two occupational groups. Over three-fourths of the participants in health insurance plans received coverage for dental expenses, compared with approximately two-thirds in 1982 and one-half in 1979.

Nearly all dental plans covered a wide range of services including examinations, X-rays, and restorative procedures such as fillings, periodontal care, and inlays. Plans covering orthodontic expenses, at least for dependent children, covered 72 percent of employees with dental benefits in 1984.

Dental payments were most commonly based on a percentage of the usual, customary, and reasonable charge for a procedure. The percentage covered by a plan generally depended on the type of procedure performed. Lower cost procedures such as examinations and X-rays were usually covered at 80 or 100 percent. Fillings, surgery, and periodontal care were most likely to be covered at 80 percent. More expensive procedures—inlays, crowns, and orthodontia—were often

provided at 50 percent of the usual, customary, and reasonable charge.

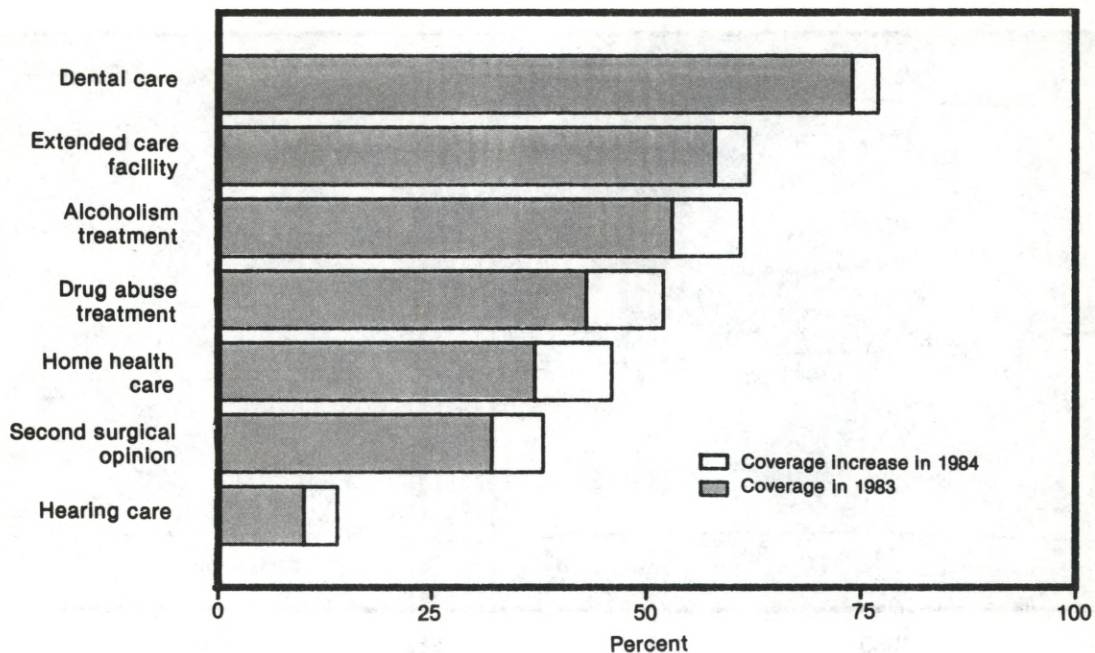
About one-fourth of the dental plan participants were offered reimbursement based on a schedule of cash allowances. In this type of arrangement, each procedure is subject to a specified maximum dollar amount that can be paid to the participant. Preventive procedures were less likely to be subject to this type of schedule than restorative procedures.

Two percent of dental plan participants had services covered by an incentive schedule. Under this arrangement, the percentage of dental expenses paid by the plan increases each year if the participant is examined regularly by a dentist.

Unlike other basic health benefits, participants in dental plans were typically required to pay a specified deductible amount before the plan paid any benefits. The most common requirement was a \$25 or \$50 deductible to be met by the participant each year. However, some plans required the participant to pay a deductible (usually \$50) only once while a member of the plan rather than every year. White-collar workers were more likely than production workers to have plans with deductible requirements.

Ninety-three percent of dental plan participants were enrolled in plans that limited the amount of payment each year by specifying a yearly maximum benefit. Many plans have raised their limits in recent years—63

Chart 4. Coverage for selected types of medical care: Percent of full-time participants in health insurance plans, medium and large firms, 1983-84



percent of employees with dental benefits had yearly maximums of \$1,000 or greater in 1984, up from 44 percent in 1980. Orthodontic services usually were subject to lifetime maximums, which have increased since first tabulated in 1980. Lifetime maximums of \$1,000 or more for orthodontia applied to 43 percent of participants in dental plans providing this benefit in 1984, up from 17 percent in 1980.

Mental health coverage. Slightly over one-half of the participants in plans with mental health benefits had more restrictive hospital coverage for mental illnesses than for physical ailments. These plans usually reduced the duration of the hospital stay (often 30 days for mental health care in basic hospital benefits, compared to 120 or 365 days for other illnesses) or imposed a separate maximum on covered hospital expenses (such as a lifetime maximum of \$25,000 on mental health benefits). Even more restrictive was coverage for mental health care outside the hospital (psychiatric office visits). Out-patient mental health care was usually covered in the major medical portion of a plan, where ceilings were often on the amounts payable for each visit and/or each year, and where the coinsurance for nonhospital treatment was often 50 percent, compared to 80 percent for physical illnesses.

Other benefits. Provisions for second surgical opinions,

reflecting employer efforts to contain surgical costs, covered 38 percent of the participants—up from 32 percent the previous year (chart 4).

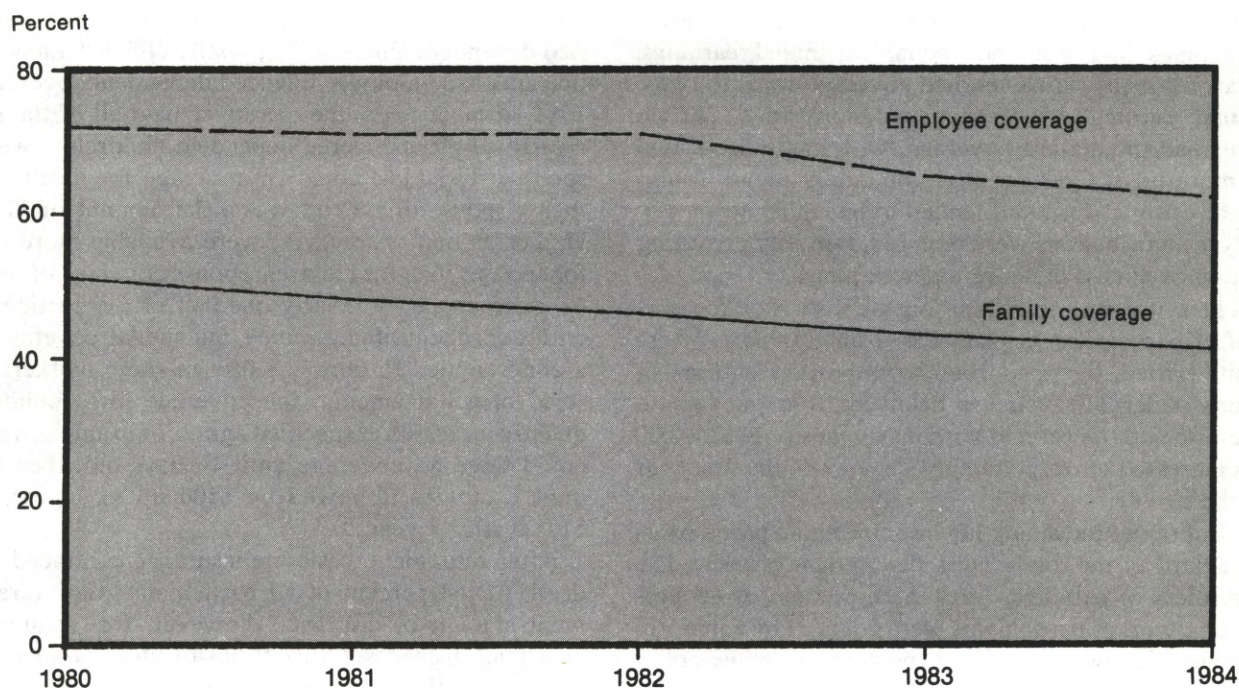
The incidence of alcohol and drug abuse provisions increased sharply. The percent of participants covered for alcoholism treatment grew from 53 to 61 percent between 1983 and 1984, and for drug abuse treatment, from 43 to 52 percent.

Thirty percent of health insurance participants were covered for vision care expenses in 1984. Production workers were the most likely to have this benefit, and their plans typically were more comprehensive than those for white-collar workers.

Hearing care was available to 14 percent of participants in 1984, up from 10 percent the previous year.

Employee contributions. Cost-sharing measures taken by some employers have not been limited to elimination of basic coverage and inclusion of higher major medical deductibles. The percent of employees whose health insurance premiums are wholly paid by their employers has also declined (chart 5). Sixty-two percent of health insurance participants had employee coverage wholly financed by their employers in 1984, down 9 percentage points in 2 years. Forty-one percent also could receive fully employer-paid coverage for their dependents, compared with 51 percent when first tabulated in 1980.

Chart 5. Trends in wholly employer-financed health insurance: Percent of full-time employees covered, medium and large firms, 1980-84



Exact data on the amount of an employee's contributions for health benefits sometimes were not available because payroll deductions applied to an insurance policy covering both health insurance and one or more other benefits. However, where the amount was reported, employee premiums for single and family coverage averaged approximately \$12 and \$36 a month, respectively—up 17 and 10 percent from 1983. In some instances, included in the calculation of average employee premiums, employees contributed only for a supplemental plan, such as an optional dental plan financed jointly by employer and employees. Employee premiums were slightly higher for technical-clerical participants than for the other two groups.

Funding medium. Employers typically arrange for health care coverage of their employees through the purchase of commercial insurance policies or Blue Cross-Blue Shield plans. These arrangements covered, for example, 67 percent of the health insurance participants with basic hospitalization benefits in 1984, and 63 percent of those with major medical benefits.

Independent health plans, however, have been growing in importance. In 1984, at least one-fourth of the workers receiving the benefits tabulated in table 34 were under self-insured plans of individual employers or labor-management groups. Such self-insurance was most prominent as a source of major medical and dental bene-

fits. Employers commonly contract with commercial insurers to protect their self-insured plans against medical claims exceeding a predetermined maximum dollar amount.

About 5 percent of the health insurance participants covered by the survey were enrolled in Health Maintenance Organizations (HMO's). An HMO is a prepaid health care plan that delivers comprehensive medical services to enrolled members for a fixed periodic fee.¹⁰

Life insurance

(tables 35-38)

Nearly all full-time employees within the scope of the survey participated in life insurance plans in 1984; four-fifths had the cost of a basic plan paid wholly by the employer. Life insurance coverage has improved since 1979, either through an increase in specified amounts of insurance or through a liberalization of the formula for determining benefits.

Basic coverage for nearly two-thirds of all life insurance participants was based on their earnings, enabling the level of protection to automatically increase with a rise in pay. Earnings-based formulas were much more prevalent among white-collar workers (82 percent) than

¹⁰ HMO plans and plans provided through the more traditional health insurers are compared by Allan Blostin and William Marclay in "HMOs and Other Health Plans: Coverage and Employee Premiums," *Monthly Labor Review*, June 1983, pp. 28-33.

among blue-collar workers (45 percent). The most common method of tying life insurance protection to earnings was to multiply the employee's annual earnings by a factor of 1 or 2 and round the product to the next \$1,000. Two-fifths of all employees in multiple-of-earnings plans had insurance equal to annual earnings. Nearly as many, however, had coverage equal to twice annual earnings. Professional-administrative participants had the highest coverage, with multiples of two or more times their earnings commonly found. Multiple-of-earnings formulas tended to be higher when employee contributions were required, typically providing insurance at two or more times earnings.¹¹

There was no upper limit on life insurance for one-half of participants in plans based on earnings. Where limits existed, the proportion of employees with maximums under \$100,000 has declined from one-half to one-fifth and the percent with maximums over \$250,000 has increased correspondingly since 1979, the first year of the survey.

Most of the remaining life insurance plan participants (one-third of the total) had a flat amount of insurance, regardless of earnings. Fifty-three percent of all production worker participants were covered by a uniform amount, compared with 15 percent of white-collar workers. While usually providing much smaller amounts of insurance than earnings-based formulas, flat amount coverage has improved. Participants in plans providing benefits of less than \$5,000 decreased from 27 percent in 1979 to 15 percent in 1984; most of the offsetting increase was in amounts of \$20,000 or more, which, during the same period, grew from 2 to 11 percent of workers insured by flat amounts.

If a participant became totally disabled, life insurance in most plans was continued, either for life or until age 65. For a small number of plans, the amount of coverage was payable to the disabled employee in lump-sum or installment form. To qualify under disability provisions, the employee was usually required to be under a specified age (commonly age 60) at the time of disability.

Three-fourths of all life insurance participants had additional insurance coverage if accidental death or dismemberment occurred. The amount of insurance was usually doubled in the case of accidental death.

In addition to basic coverage, some employers offered their workers supplemental life insurance that was at least partially employer financed. The typical supplemental plan provided insurance in multiples of 1 to 3 times annual earnings. Only 4 percent of the employ-

ees, ranging from 7 percent of professional-administrative workers to less than 3 percent of production workers, were participants in these plans.

Another kind of coverage sometimes available to the workers is life insurance on their spouses and unmarried dependent children. One-sixth of life insurance participants had employer-financed dependent coverage in 1984; in most cases, the employer paid all of the cost. Nearly all plans covered dependent children as well as spouses. The most common coverage for death of either a spouse or a child was a flat amount of \$1,000. Higher amounts, however, were available more often for spouses than for children; spouse coverage of \$2,000 or more applied to nearly one-half of the participants with dependent life insurance, but similar coverage for a child applied to only one-fifth of these workers. Instead of a flat amount, the coverage for a child frequently increased at specified ages. For example, a child could have no coverage until 14 days old, then \$250 until 6 months, followed by \$500 up to a year, and \$1,000 after a year.

After retirement, basic life insurance continued until death for 64 percent of all participants; the preretirement amount of insurance, however, was reduced in nearly all instances. Other forms of life insurance—accidental death and dismemberment, supplemental, and dependent coverage—were seldom available after retirement.

Retirement pension plans

(tables 39–55)

Eighty-two percent of the employees in the survey were covered by private retirement pension plans, with the employer usually paying the entire cost. The percent of employee coverage was slightly lower for production workers than for the other two groups.

Benefit formulas. Earnings-based formulas applied to nearly seven-tenths of the employees covered by pension plans. These formulas pay a percent of the employee's annual earnings per year of service, but may differ in the calculation of annual earnings as well as in the rate paid per year of service. For 21 percent of the participants with earnings-based formulas, an average of career earnings was used; for the remainder, pensions were based on earnings in the final years of employment (terminal earnings formula). Terminal earnings were defined as the average over a 5-year period for 86 percent of participants with terminal earnings formulas. Such formulas usually designated the 5 consecutive years with the highest earnings out of the last 10 before retirement.

A majority of participants with earnings-based formulas—just over half with terminal earnings and almost two-thirds with career earnings formulas—were in plans that applied rates that varied according to service, earnings, or age. Career earnings formulas, for example,

¹¹The employee contribution rate was commonly expressed as a fixed rate for each \$1,000 of insurance. Reported rates varied widely from 3 cents to 67 cents per \$1,000; three-fifths of the participants with fixed rates paid less than 30 cents per \$1,000. Data were not available for almost one-third of contributory plan participants, however, because payroll deductions sometimes applied to an insurance policy covering life insurance and one or more other benefit areas.

typically applied one rate to annual earnings below a specified amount, and a higher rate above that amount. The balance of formulas applied a uniform rate to all earnings. These uniform rates averaged 1.67 percent per year of service in terminal earnings formulas and 1.45 percent in career earnings formulas. Thus, terminal earnings formulas not only provide a higher earnings base than career formulas,¹² but the percentage rates also are often higher. However, benefits under a terminal earnings formula were more likely to be offset by a retiree's Social Security payments. (See next section.)

Most plans that did not use a percent-of-earnings benefit formula specified a dollar amount to be paid for each year of service, such as \$15 monthly per year of service, yielding a pension of \$450 after 30 years. Dollar-amount formulas applied to 28 percent of pension plan participants. While the dollar amount in these formulas frequently varied with an employee's earnings, the predominant method was to multiply a uniform dollar amount by years of service. Uniform amounts credited per year averaged \$14.44 a month.

The basis of payment differed sharply by employee group. While a large majority of white-collar workers were provided earnings-based pensions, dollar-amount formulas applied to half of the production employees.

Thirty-seven percent of all participants were in pension plans providing benefits from either primary or alternative formulas, whichever was greater. Alternative formulas were often included to provide at least a minimum level of benefits for persons with short service or low earnings. For example, a plan may have a primary formula of 1.25 percent of career average earnings times years of service, and an alternative formula of \$15 a month for each year of service. In this case, the alternative formula would provide a higher benefit for persons with career average annual earnings less than \$14,400.

Private benefits and Social Security payments. Employers providing private pension plans also share the cost of Social Security coverage equally with their employees. Because many plan sponsors feel that private pension and Social Security benefits should not be duplicative, formulas for calculating private pensions often contain an offset provision requiring part of the Social Security pension to be subtracted from the annuity. Other plans have "excess" formulas that apply lower rates to an employee's earnings below a specified level (which is either the Social Security taxable wage base—usually the career average—or a dollar amount equal to a past taxable wage base).

¹² An employee who worked 30 years with a 5-percent pay increase each year and who earned \$25,000 in the last year of service would have career average earnings of \$13,451 a year, while the final 5-year average would be \$22,730. The difference between the career and final average lessens with shorter lengths of service.

Fifty-six percent of all participants were in plans where benefit formulas were "integrated" with Social Security. Terminal earnings formulas of integrated plans tended to adopt the offset approach, while career earnings formulas tended to incorporate the excess approach. Dollar amount formulas were rarely coordinated with Social Security; blue-collar employees, therefore, were less likely to have integrated benefits.¹³

Maximum benefit provisions. The Employee Retirement Income Security Act of 1974 (ERISA) places ceilings on the size of annual pension benefits; this restriction largely affects only highly compensated employees. Many private pension plans, however, have provisions that restrict benefit levels for all participants. For example, one-third of participants were in plans that limited the number of years of service included in benefit computation; maximums of 30 or 35 years were most common. For one-tenth of the participants, annual pensions (usually including Social Security payments) could not exceed a specified percent of average annual career or terminal earnings.

Replacement rates. A commonly used indicator of pension adequacy is the portion of a retiree's final year's earnings that is "replaced" by the retirement benefit. To calculate replacement rates under 1984 pension plans, the maximum private benefit under each surveyed plan, not reduced for early retirement or joint-and-survivor annuity, was determined under several assumed combinations of final annual earnings and years of service. These benefit levels were then expressed as percents of earnings in the last year of employment. The calculations assume employees retired on January 1, 1984, and final earnings are for 1983.¹⁴

Table 46 presents average replacement rates resulting from private pension plans alone and in combination with primary Social Security benefits (that is, excluding benefits for spouse and other dependents).¹⁵ For private pension formulas that are integrated with Social Security and for computation of Social Security benefits, the worker is assumed to have retired at age 65 and paid into Social Security for 40 years. (For workers who reached age 65 in 1984, however, the Social Security benefit was the same for workers with

¹³ For a comprehensive analysis of formulas with Social Security integration characteristics, see Donald Bell and Diane Hill, "How Social Security Payments Affect Private Pensions," *Monthly Labor Review*, May 1984, pp. 55-60.

¹⁴ Earnings histories, necessary for applying the pension formulas, were constructed for each final earnings level based on data provided by the Social Security Administration.

¹⁵ The Social Security spouse benefit, which is 50 percent of the primary benefit, is paid in addition to the primary benefit while both partners are alive (unless the spouse is eligible for a larger primary benefit). Upon death of either partner, the primary benefit is then continued to the surviving spouse until death or remarriage.

similar final earnings who had 25 or more years under Social Security.)

Chart 6 displays replacement rates based on 30 years of service for each of the earnings assumptions. Except for the lowest earnings assumption (\$15,000), the private pension plan replaced on average about 27 percent of the final year's earnings; the rate for \$15,000 was about 31 percent.

When combined with primary Social Security payments available at age 65, however, replacement rates differed substantially as earnings increased—ranging from nearly three-fourths at the lowest assumed level to just under one-half at the highest earnings level computed. Except for the two highest assumed levels of final earnings (\$35,000 and \$40,000), the primary Social Security benefit was larger than the average private pension.

Although private pension replacement rates for all employees changed little as the final earnings assumption increased, rates for production workers dropped 10 percentage points. Chart 7 provides an explanation: Half of all production workers have dollar amount formulas, paying workers with the same years of service the same benefit, regardless of earnings history. The result is a sharp decrease in the replacement rate as final earnings increase. Average replacement rates for earnings-based formulas, on the other hand, increase slightly with higher final earnings, the result of Social Security integration in most of these plans.¹⁶

Normal retirement. Although full Social Security benefits are not available before age 65, most private pension plan participants were not required to work to that age for full private pensions (normal retirement). Thirty-seven percent were covered by plans that specified age 65 as the earliest age for normal retirement. While these employees generally did not have to satisfy a minimum service requirement, plans permitting normal retirement at earlier ages typically had length-of-service requirements. Ten years' service or less generally were required for the 31 percent of participants who could first retire at ages 60 through 64; 20 or 30 years were typically needed for retirement at 55 through 59 (affecting 6 percent of participants); and another 10 percent could qualify when the sum of age plus service reached a specific amount, such as 85.

Sixteen percent of all participants were covered by plans permitting retirement at any age with 30 years of service; the major concentration (24 percent) was among production workers. Plans which featured such a provision almost always offered other normal retirement opportunities at specified ages with lower service requirements. (If a plan had alternative age and service requirements, the earliest age and associated service

were tabulated for this survey; if one alternative did not specify an age, it was the formula tabulated.)

Early retirement. Virtually all of the employees participating in a pension plan could retire early and receive an immediate, reduced pension. In some cases, employer approval was required for early retirement benefits.

The amount of an early retirement pension is lower for three reasons: First, fewer years of service are applied to the benefit formula because an employee has not worked until normal retirement age. Second, because benefits begin at an earlier age, the retiree is expected to receive plan payments over a longer period of time. Third, pension funds are less, thereby lowering earnings on investments.

The normal benefit is reduced by a percentage 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. It should be recognized, however, that 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 may either be uniform or vary by age or service. Reduction factors that differed for each year of early retirement, based on the employee's life expectancy at that age (actuarial reductions) were used in plans covering one-fifth of participants with early retirement opportunities. Other methods of reduction, however, often approximate an actuarial reduction. For over a third of the participants, the reduction factor differed for age brackets of several years instead of changing each year. Two-fifths of the participants had uniform reduction factors, most commonly 6 percent for each year of early retirement. A few plans applied reduction factors that vary by length of service.

The majority of participants were covered by plans providing early retirement at age 55; generally, 10 to 15 years of service were required. Nine-tenths of the white-collar workers could, with sufficient years of service, retire by age 55, and nearly four-fifths of the production workers had plans with similar provisions.

The early retirement pension for 11 percent of participants was supplemented by additional monthly payments if employees retire after meeting specific conditions. Plan sponsors include these special early retirement benefits either to induce older workers to retire or as a reward for long service. For most employees in this study, at least half of their retirement pension will be Social Security payments (see section on replacement rates). Supplemental benefits from the private pension help to fill the gap during the period between retirement and the start of Social Security payments. Gen-

¹⁶ A more complete discussion of replacement rates will be presented in an upcoming *Monthly Labor Review* article by Donald G. Schmitt.

Chart 6. Replacement rates under pension plans including and excluding Social Security payments: Average benefits based on 30 years of service, medium and large firms, 1984

Average replacement
rate in percent

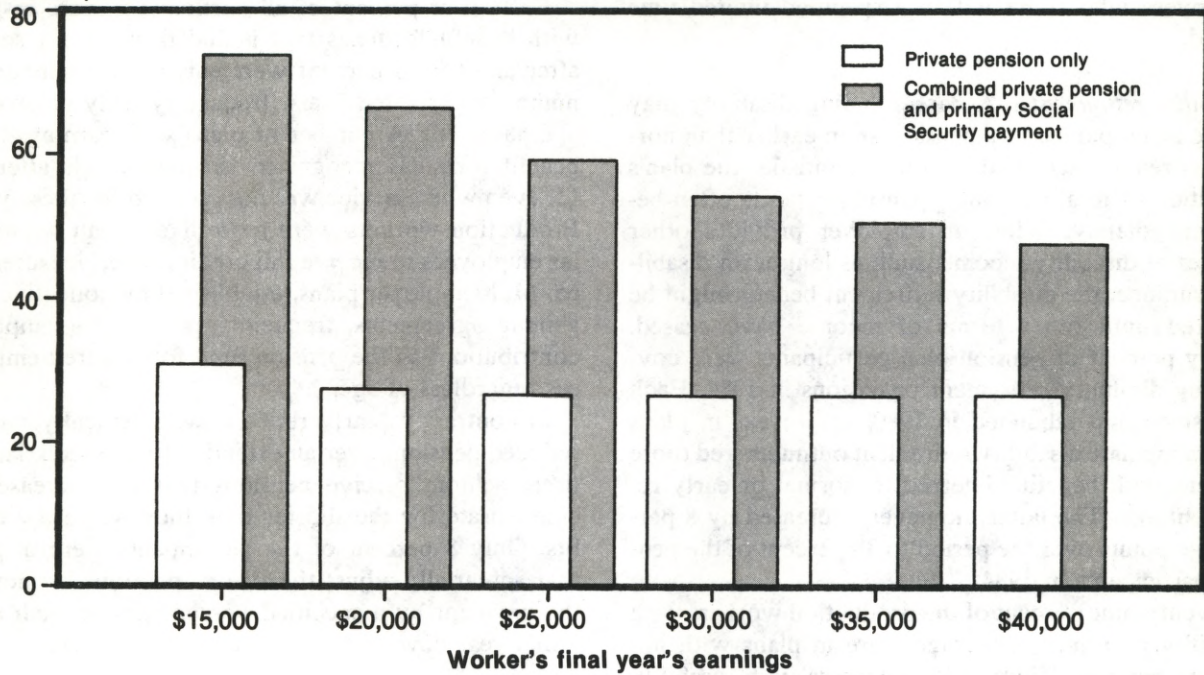
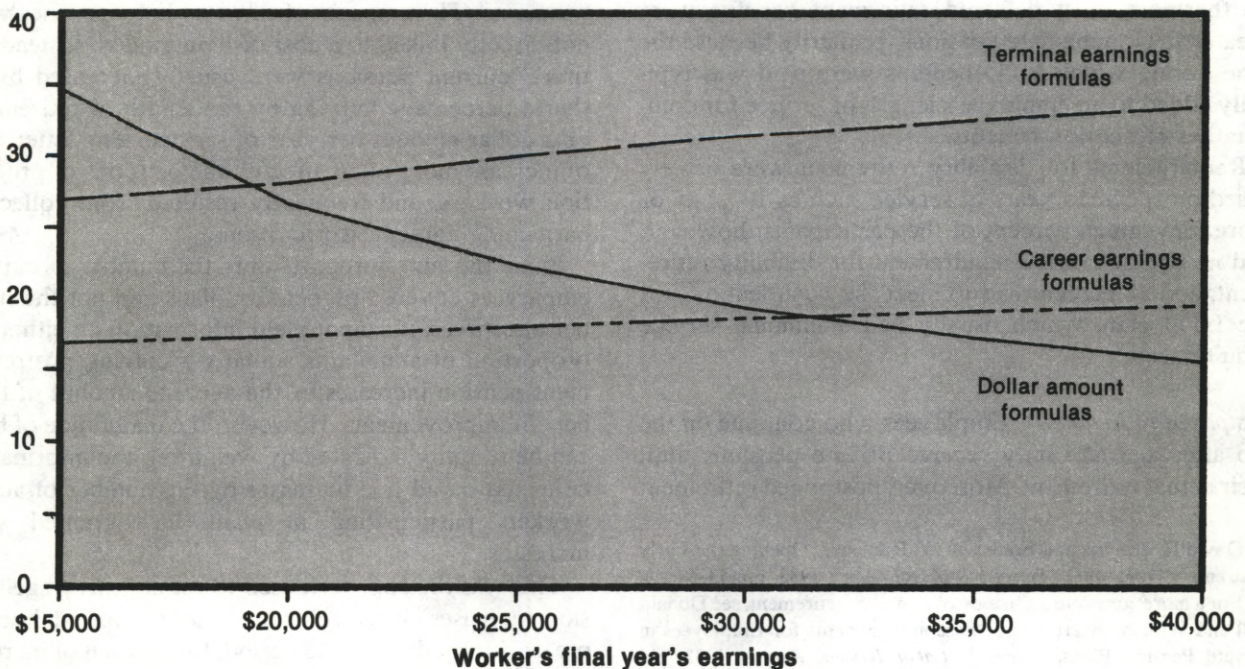


Chart 7. Replacement rates under private pension plans: Average benefits based on 30 years of service by type of pension formula, medium and large firms, 1984

Average replacement
rate in percent



erally, supplemental payments end when Social Security payments begin (either reduced payments at age 62 or full benefits at age 65), and the reduced pension is then payable for life. Other employers elect to offer similar incentives outside of formal plan provisions to employees who retire within a specified limited time period.¹⁷

Disability retirement. A career-ending disability may entitle an employee to a pension at an earlier than normal retirement age. If the disability satisfies the plan's definition of total disability, pension benefits often begin immediately. When an employer provides other sources of disability income, such as long-term disability insurance, the disability retirement benefit might be deferred until other forms of income have ceased. Ninety percent of pension plan participants were covered by disability retirement provisions in 1984. Each year since first tabulated in 1980, employees in plans with immediate disability retirement outnumbered those in plans with benefits deferred to normal or early retirement age. The latter, however, increased by 8 percentage points over the period to 38 percent of the pension participants in 1984.

Seventy-nine percent of the production workers with disability retirement coverage were in plans with immediate benefits. White-collar workers with disability benefits in their pension plans were nearly equally divided between plans with immediate and deferred benefits. Workers with deferred benefits were usually provided with long-term disability benefits ranging from 50 to 60 percent of earnings or more at the time of disability; this was more than that generally provided by pension plans with immediate disability retirement.¹⁸ Furthermore, most deferred retirement benefits were greater than immediate pensions, primarily because the time during which LTD benefits were paid was typically added to an employee's length of service for computation of pension benefits.

Requirements for disability retirement were usually based on specified years of service such as 10 years or more. Seventeen percent of the participants, however, had no age or service requirement for disability retirement, and 22 percent had to meet the qualifications for the LTD plan, which usually had a minimal service requirement.

Postponed retirement. Employees who continue on the job after age 65 rarely receive private pensions until their actual retirement. Moreover, postponed retirement

is rarely fully reflected in the size of pension benefits by both crediting the additional service and adjusting pensions upward for the shorter retirement period. Nevertheless, one-half of the participants were in plans that made some adjustment for postponed retirement.

Forty-four percent of all participants were in plans with benefit formulas that included credit for service after age 65; 18 percent were subject to limits on the number of credited years (frequently, only years up to age 68 or 70). A number of plans with earnings-based benefit formulas recognized earnings levels after age 65, even when service was not credited for these years. Production workers were more likely than white-collar employees to receive full credit for service after age 65. Multiemployer plans, established by collective bargaining agreements, frequently provide for employer contributions to the pension fund for covered employees regardless of age.

In contrast to early retirees, who typically receive reduced pensions over an extended time period, late retirees seldom receive pensions that are increased to compensate for the shorter time they will draw benefits. Only 8 percent of the participants were in plans that actuarially adjust the size of pensions or increase the payment by a specified percentage for each additional year beyond the normal retirement age.

Postretirement pension increases. Inflation can severely erode the purchasing power of a fixed pension throughout a worker's retirement years. Nearly one-half (49 percent) of pension plan participants were in plans which increased pensions for current retirees at least once during the 1979-83 period. Most of these increases were not automatic but discretionary, or ad hoc, adjustments. The amounts of these ad hoc increases were not directly linked to a cost-of-living index. Instead, retirees' current pensions were usually increased by either a percentage varying by the length of retirement, or a dollar amount per year of service. The latter type of increase more often affected the pensions of production workers, and frequently resulted from collective bargaining agreement provisions.

Since the survey reports only the number of current employees covered by pension plans and not the number of retirees, it cannot yield information on either the proportion of annuitants actually receiving postretirement pension increases or the average amount of their benefit improvements. However, the magnitude of both can be roughly indicated by weighting the information collected on ad hoc increases by the number of active workers participating in plans that granted such increases.

This was the approach used to estimate average pension increases. For each plan granting an ad hoc increase during the 1979-83 period, the amount of increase was computed using three retirement periods (5, 10,

¹⁷David H. Gravitz and Frederick W. Rumack, "Opening the Early Retirement 'Window,'" *Personnel*, March/April 1983, pp. 53-57.

¹⁸For a more complete discussion of disability retirement, see Donald Bell and William Wiatrowski, "Disability Benefits for Employees in Private Pension Plans," *Monthly Labor Review*, August 1982, pp. 36-40.

and 15 years) and two monthly pension amounts (\$250 and \$1,000) in effect on December 31, 1978. These increases were then averaged using as weights the number of active workers participating to provide surveywide estimates for each example. As shown in the tabulation below, the length of retirement was a significant factor in determining the size of pension adjustments, with larger increases paid to persons retired longest. Also, where maximum increases were specified, retirees with higher original pensions had lower percentage increases.

Monthly pension on December 31, 1978	Years of retirement		
	5	10	15
\$250:			
Average pension on December 31, 1983 .	\$286	\$307	\$316
Percent change, December 31, 1978-83 . .	14	23	26
\$1,000:			
Average pension on December 31, 1983 .	\$1,093	\$1,172	\$1,204
Percent change, December 31, 1978-83 . .	9	17	20

The BLS Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W) rose 52 percent over the 5-year period studied.¹⁹ Retirees in plans with ad hoc adjustments, therefore, were commonly granted increases that were less than half of the price rise.

Only about 3 percent of all participants were in plans that provided for automatic increases in pension benefits to compensate for increases in the cost of living. In most instances, the cost-of-living-adjustment formulas provided for benefit adjustments proportional to increases in the BLS Consumer Price Index. Nevertheless, ceilings on individual increases limited periodic adjustments to 3 percent or less for one-half of the covered workers. Most of the affected participants were in plans calling for annual adjustments. Lifetime ceilings on increases were rare.

Vesting. Even when an employee leaves an employer without qualifying for either a normal, early, or disability retirement benefit, a pension may ultimately be paid. If certain conditions are satisfied at the time of separation, workers have a vested right in all or a significant 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 this occurs. Most pension plans require 10 years of service before benefits are fully guaranteed. While two-thirds of the participants were covered by the 10-year rule regardless of age, one-fifth were affected by the plan sponsor's right

to exclude years of service before age 22 in determining vesting eligibility.²⁰

Unreduced vested pension payments begin at a plan's normal retirement age, based on the benefit formula in effect when an employee left the plan. Also, terminated and vested participants could receive a reduced pension under a plan's early retirement provision if the participant had satisfied the corresponding service requirement when leaving the plan.

For terminated and vested employees who wish to receive a pension beginning at the early retirement age, the benefit must be at least the actuarial equivalent of what would have been received starting at age 65. Although under ERISA the reduction factor used in determining the pension for a terminated employee can be more severe than for early retirement, the same factor was used in plans covering 79 percent of the participants with early retirement provisions.

Postretirement survivor benefits. ERISA also requires the availability of a form of pension in which at least 50 percent of the retiree's payments continue to the spouse after the retiree's death. When this type of pension—called a joint-and-survivor annuity—is elected, the employee will receive a lower benefit during retirement since payments are likely to be made over a longer period of time. When the retiree dies, the spouse will receive part or all of the retiree's monthly pension benefits.²¹

Joint-and-survivor annuities are based on an actuarial or arithmetic reduction of the employee's pension which is necessary to allow for continuation of benefits to the employee's survivor. One-fifth of the participants were in plans offering only a joint-and-survivor option that provides a surviving spouse 50 percent of the retiree's adjusted pension. Nearly two-thirds of participants had a choice of two or more alternative percentages (frequently 50, 67, and 100 percent) to be continued to the spouse, with corresponding reductions in their annuities.

²⁰ In 1984, President Reagan signed into law the Retirement Equity Act, effective January 1, 1985. Among other provisions, this act amended ERISA by lowering to 21 the age after which employers must enroll workers in pension plans and lowering to 18 the age after which employees must earn vesting credits. In addition, the act requires that the spouse of a deceased vested employee be entitled to survivor benefits regardless of age at death. This bulletin reports on provisions in effect the last year before plans must comply with the new requirements. (Collectively bargained plans must comply by January 1, 1987.)

²¹ ERISA requires that the joint-and-survivor coverage be automatic for married retirees, and that waiver of this option must be requested in writing by the employee. The Retirement Equity Act (see footnote 20) further directs that spouse coverage can be waived only if both husband and wife sign the written request. For a more complete discussion of survivor benefits, see Donald Bell and Avy Graham, "Surviving Spouse's Benefits in Private Pension Plans," *Monthly Labor Review*, April 1984, pp. 23-31.

¹⁹ The CPI-W increased 51 percent between 1978 and 1981, the highest 4-year rise in recent times. For a discussion of postretirement increases during this period, see Donald G. Schmitt, "Postretirement Increases under Private Pension Plans," *Monthly Labor Review*, September 1984, pp. 3-8.

Preretirement survivor benefits. Nearly all participants were in plans providing for survivor payments in case the employee died before retirement. Employees usually had to be eligible for early retirement before any death benefits were payable.²² For seven-tenths of the participants, a surviving spouse would receive an annuity equivalent to the amount payable if the employee had retired on the day prior to death and had elected a joint-and-survivor form of payment. Most survivor pensions of this nature were based on an early retirement benefit and were provided at no cost to the employee. For 16 percent of participants, however, preretirement joint-and-survivor protection involved an extra employee cost and was available only if elected (down from 24 percent when first tabulated in 1980). The cost was usually paid by the employee through a small deduction in the pension ultimately payable to either employee or spouse.

Employee contributions. The employer paid the full cost of the pension plan for 91 percent of the participants. Of the 9 percent that had to pay part of the cost, virtually all paid a percent of earnings. The majority of participants in contributory plans paid one rate (usually 2 to 5 percent) on earnings above a specified level, and a lower rate (frequently zero) below that earnings level. The annual earnings level at which this break occurred ranged from \$3,000 to \$37,800, the Social Security taxable wage base in effect during 1984. Plans with varying employee contributions usually coordinate private benefits with Social Security payments; as discussed earlier, rates used in these plans are higher on earnings above the Social Security taxable wage base. Less than 2 percent of the participants paid a flat rate—none paid more than 4 percent.

Plan participation requirements

(tables 56-60)

The insurance and pension programs commonly specify minimum length-of-service periods before employees may join a plan. These service requirements often are nominal, coinciding with an employer's probationary policy or the administrative time needed to begin employer funding of benefits. Service requirements in some long-term disability insurance plans, however, are more restrictive, and are intended to limit the number of covered workers and control employer costs. Similarly, sponsors of pension plans frequently impose age requirements which prevent younger or older workers from participating.²³

Insurance plans. The incidence of service requirements did not vary significantly by benefit area, but was low-

est among health and life insurance plan members and highest for sickness and accident insurance. Except for long-term disability insurance plans, service requirements were usually only 1, 2, or 3 months. Requirements found in LTD plans were more restrictive; nearly two-fifths of the participants had requirements of from 6 months to 3 years or more. Because of the long-term nature of this benefit, more employers restricted eligibility to employees who have demonstrated some attachment to the company.

For health and life insurance benefits, the incidence of service requirements varied markedly among the employee groups. While nearly three-fifths of professional-administrative employees could participate immediately, almost two-thirds of production workers had some waiting period.

Private pension plans. Nearly two-fifths of employees with pensions had immediate coverage under their plan. Another one-fifth could participate regardless of age but had a service requirement, seldom more than 1 year. Most of the remaining employees could not enter their employer's pension plan until they reached age 25 and completed 1 year of service, the most restrictive requirement permitted by ERISA in 1984.²⁴

Three-fifths of pension participants were in plans with a maximum age, usually 59, beyond which newly hired employees were not eligible. Maximum age conditions are permitted under ERISA regulations as long as the specified age is within 5 years of a plan's normal retirement age.

Both minimum and maximum age provisions occurred less frequently in plans covering production workers.

Plan sponsors and collective bargaining

(tables 61-65)

The great majority of the insurance and pension plans studied were single employer plans. The small representation of plans covering groups of employers reflected the survey's scope. This study excluded most service industries and small firms in other industries, such as contract construction and trucking, where multi-employer plans are more common than among the surveyed establishments.

²³ Age and service restrictions are not the only limitations on plan participation. Benefits may be limited to persons with full-time and permanent employment status; in other instances, a more liberal requirement may apply, such as a workweek of 20 hours or more. Some plans are available only to persons covered by another plan; for example, life insurance plans that restrict eligibility to those who also are enrolled in the company's health insurance program. In other cases, participation in one plan blocks eligibility for others, as when several alternative health insurance plans are offered by the employer.

²⁴ See footnote 20 regarding the Retirement Equity Act's change in the minimum age requirement for participation in pension plans, effective January 1, 1985.

²² See footnote 20 for changes required by the Retirement Equity Act.

Insurance and pension plans for white-collar workers usually resulted from management decisions, while plans for production workers were divided between union-negotiated and nonunion arrangements.

Twelve percent of the participants in sickness and accident insurance plans were covered by mandatory temporary disability insurance plans in New Jersey and New York. As noted earlier in the sickness and accident insurance section, both of these State-administered plans are at least partially employer financed and provide benefits similar to privately sponsored sickness and accident insurance.

Other benefits

(table 66)

In addition to the major benefits previously discussed, information was collected on a number of other benefit plans, such as profit sharing, severance pay, and relocation allowances. The data on these benefits show the percent of workers in each employee group eligible for a specific benefit, but do not indicate the proportion of employees actually taking advantage of such benefits. Generally, benefits were provided to all or none of the workers in an employee group within an establishment; a small percent of employees were in establishments which offered a benefit to only some workers in an employee group.

Funeral leave, military leave, parking (provided at no cost or below commercial rates), and full or partial payment of educational expenses were available to at least three-fifths of the employees in each group. Employee discounts on purchases of the employer's goods or services and in-house infirmary care covered nearly half of the employees of each group. Among the benefits surveyed, eligibility was lowest for stock bonus plans, stock purchase plans, nonproduction bonuses, and employee gifts. In addition, employee eligibility for use of a company-owned or leased automobile for personal business was seldom found, but was provided more often to the professional-administrative employees than to the other two groups.

Profit sharing, savings, and stock ownership plans—capital accumulation instruments providing current or deferred benefits—have increased in availability for each occupational group nearly every year since first measured in 1980. Growth between 1983 and 1984 was particularly striking in eligibility for savings plans

among white-collar workers—employers offered to match savings for nearly half of these employees in 1984. This growth was influenced by the “salary reduction” feature of recent tax legislation, which allows the investment of employees’ pretax earnings in approved plans.²⁵

Incidence of several benefits differed markedly by employee group, with a larger proportion of professional-administrative employees usually covered. For example, full or partial payment of relocation expenses for transferred or newly hired employees was available to three-fourths of the professional-administrative employees but to less than two-fifths of the technical-clerical employees and one-fifth of the production workers. Severance pay was offered to three-fifths of the white-collar employees, almost twice the proportion of production employees covered.

For six benefits, the data distinguish between full and partial defrayment of the cost of the benefit to the employee. Parking, for example, was nearly always free to those employees eligible for the benefit. Conversely, meals served in a cafeteria or other dining facility were generally provided at reduced cost, rather than free, to those eligible. Fully paid relocation allowances, more common among eligible white-collar employees, included payments for moving and interim living expenses, and the cost of breaking a lease or selling a house. Covered production workers were more often eligible for only partial defrayment of relocation expenses, generally limited to moving costs, or limited to a maximum dollar amount.

For those employees provided recreational facilities, which range from employer-sponsored sport teams to sophisticated fitness facilities, nearly one-half of the workers in each employee group were eligible to have the full cost paid for while the remainder jointly financed the cost of the benefit with the employer. Employees with partial reimbursement for education expenses outnumbered those with full reimbursement by nearly 2 to 1 for white-collar employees and 3 to 1 for production workers. Full educational assistance included total cost for books, tuition, and fees, but not necessarily for worktime lost due to attending courses.

²⁵ For details on salary reduction arrangements, see the Revenue Act of 1978 and subsequent IRS regulations.

Table 1. Summary: Percent of full-time employees by participation¹ in employee benefit programs, medium and large firms,² 1984

Employee benefit program	All employees	Professional and administrative employees	Technical and clerical employees	Production employees
Paid:				
Holidays	99	99	100	98
Vacations	99	99	100	99
Personal leave	23	29	34	15
Lunch period	9	3	4	16
Rest time	73	59	73	80
Sick leave	67	92	92	42
Sickness and accident insurance	51	29	37	70
Wholly employer financed	42	20	27	61
Partly employer financed	10	9	10	10
Long-term disability insurance	47	67	58	30
Wholly employer financed	35	47	42	26
Partly employer financed	11	20	16	5
Health insurance³	97	98	95	97
Employee coverage:				
Wholly employer financed	62	57	48	71
Partly employer financed	35	41	47	26
Family coverage:				
Wholly employer financed	41	39	32	46
Partly employer financed	56	59	64	50
Life insurance	96	97	95	96
Wholly employer financed ⁴	81	80	78	83
Partly employer financed	15	17	17	12
Retirement pension	82	83	84	80
Wholly employer financed ⁴	74	74	78	72
Partly employer financed	8	9	6	8

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

² See appendix A for scope of study and definitions of occupational groups.

³ Includes less than 0.5 percent of employees in plans that did not offer family coverage.

⁴ Includes participants in noncontributory basic plans who may contribute to the cost of supplemental plans in these benefit areas. Supplemental plans are not tabulated in this bulletin.

NOTE: Because of rounding, sums of individual items may not equal totals.

Table 2. Work schedule: Percent of full-time employees by number of hours scheduled per week,¹ medium and large firms, 1984

Work schedule	All employees	Professional and administrative employees	Technical and clerical employees	Production employees
Total	100	100	100	100
Hours per week:				
Under 35	1	(²)	(²)	1
35	3	5	7	1
Over 35 and under 37.5	1	2	2	1
37.5	7	8	12	3
Over 37.5 and under 40	2	3	5	(²)
40	85	80	73	94
Over 40	(²)	1	(²)	(²)
Hours per week not available	(²)	(²)	(²)	(²)

¹ Work schedule data, limited to straight-time hours, included lunch and rest periods only if they were paid. Regularly scheduled overtime was excluded from this survey.

² Less than 0.5 percent.

NOTE: Because of rounding, sums of individual items may not equal totals.

Table 3. Paid lunch time: Percent of full-time employees by minutes of paid lunch time per day, medium and large firms, 1984

Minutes per day	All employees	Professional and administrative employees	Technical and clerical employees	Production employees
Total	100	100	100	100
Provided paid lunch time	9	3	4	16
Under 20 minutes	1	(¹)	1	2
20 minutes	3	(¹)	(¹)	6
Over 20 and under 30 minutes	(¹)	(¹)	(¹)	1
30 minutes	4	1	1	7
Over 30 minutes	1	1	2	(¹)
Number of minutes not available	(¹)	(¹)	(¹)	-
Not provided paid lunch time	91	97	96	84

¹ Less than 0.5 percent.

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

Table 4. Paid rest time: Percent of full-time employees by minutes of paid rest time per day, medium and large firms, 1984

Minutes per day	All employees	Professional and administrative employees	Technical and clerical employees	Production employees
Total	100	100	100	100
Provided paid rest time	73	59	73	80
Under 15 minutes	1	(¹)	1	3
15 minutes	3	3	5	2
Over 15 and under 20 minutes	2	1	2	3
20 minutes	23	15	18	30
Over 20 and under 30 minutes	4	1	1	6
30 minutes	36	37	44	31
Over 30 and under 40 minutes	(¹)	(¹)	(¹)	(¹)
40 minutes	1	(¹)	(¹)	1
Over 40 minutes	2	-	(¹)	4
Number of minutes not available	(¹)	(¹)	(¹)	(¹)
Not provided paid rest time	27	41	27	20

¹ Less than 0.5 percent.

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

Table 5. Paid holidays: Percent of full-time employees by number of paid holidays provided each year, medium and large firms, 1984

Number of days	All employees	Professional and administrative employees	Technical and clerical employees	Production employees
Total	100	100	100	100
Provided paid holidays	99	99	100	98
Under 6 days	3	1	1	4
6 days	4	3	6	4
6 days plus 1 or 2 half days	(¹)	(¹)	(¹)	(¹)
7 days	6	5	6	7
7 days plus 1 half day	(¹)	(¹)	(¹)	(¹)
8 days	7	7	7	6
8 days plus 1 or more half days	1	1	2	(¹)
9 days	12	13	16	10
9 days plus 1 or 2 half days	1	2	2	(¹)
10 days	26	26	25	27
10 days plus 1 or more half days	1	1	1	1
11 days	17	19	17	16
11 days plus 1 or 2 half days	1	1	1	(¹)
12 days	11	9	9	13
12 days plus 2 half days	(¹)	(¹)	(¹)	-
13 days	6	8	5	6
13 days plus 1 half day	(¹)	(¹)	(¹)	(¹)
14 days	1	1	1	2
More than 14 days	(¹)	(¹)	(¹)	(¹)
Number of days not available	(¹)	(¹)	(¹)	(¹)
Not provided paid holidays	1	1	(¹)	2

¹ Less than 0.5 percent.

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

Table 6. Paid holidays: Percent of full-time participants by policy on holidays that fall on a regularly scheduled day off, medium and large firms, 1984

Holiday policy	All participants	Professional and administrative participants	Technical and clerical participants	Production participants
Total	100	100	100	100
Holiday is not observed	(¹)	(¹)	(¹)	1
Another day off granted	86	91	89	81
Additional day's pay in lieu of holiday	3	1	2	4
Another day off or day's pay, depending on when holiday falls	9	4	5	13
Another day off or holiday not observed, depending on when holiday falls	1	2	3	(¹)
Other provision applies ²	(¹)	(¹)	(¹)	1
Holiday policy not determinable	1	1	1	1

¹ Less than 0.5 percent.

² Includes plans where the policy differs by holiday.

NOTE: Because of rounding, sums of individual items may not equal totals.

Table 7. Paid vacations: Percent of full-time employees by amount of paid vacation provided at selected periods of service, medium and large firms, 1984

Vacation policy	All employees	Professional and administrative employees	Technical and clerical employees	Production employees	Vacation policy	All employees	Professional and administrative employees	Technical and clerical employees	Production employees
Total	100	100	100	100	At 15 years of service:				
In plans providing paid vacations	99	99	100	99	5 days	1	(²)	(²)	1
At 6 months of service: ¹					Over 5 and under 10 days	(²)	-	(²)	(²)
Under 5 days	7	4	5	10	10 days	3	1	2	5
5 days	39	49	48	30	Over 10 and under 15 days	(²)	(²)	(²)	(²)
Over 5 and under 10 days	10	14	15	5	15 days	28	20	23	34
10 days	4	7	6	2	Over 15 and under 20 days	3	3	3	3
Over 10 and under 15 days	(²)	(²)	(²)	-	20 days	60	69	68	52
15 days	(²)	1	(²)	-	Over 20 and under 25 days	2	2	1	2
Over 15 days	(²)	1	-	(²)	25 days	2	2	2	1
At 1 year of service:					Over 25 days	1	1	1	1
Under 5 days	(²)	(²)	(²)	(²)	At 20 years of service:				
5 days	30	7	13	51	Under 10 days	(²)	(²)	(²)	1
Over 5 and under 10 days	1	(²)	(²)	2	10 days	3	1	1	5
10 days	62	79	83	43	Over 10 and under 15 days	(²)	(²)	(²)	(²)
Over 10 and under 15 days	2	3	3	1	15 days	9	6	7	13
15 days	3	8	1	1	Over 15 and under 20 days	1	1	(²)	1
Over 15 days	1	2	(²)	(²)	20 days	56	60	66	49
At 3 years of service:					Over 20 and under 25 days	3	4	3	3
Under 5 days	(²)	(²)	(²)	(²)	25 days	25	26	21	26
5 days	4	1	1	6	Over 25 and under 30 days	1	1	1	1
Over 5 and under 10 days	1	-	(²)	1	30 days	(²)	(²)	(²)	(²)
10 days	80	76	87	79	Over 30 days	(²)	(²)	(²)	1
Over 10 and under 15 days	8	7	6	10	At 25 years of service:				
15 days	5	12	5	2	Under 10 days	(²)	(²)	(²)	1
Over 15 and under 20 days	(²)	1	(²)	(²)	10 days	3	1	1	5
20 days	1	2	(²)	(²)	Over 10 and under 15 days	(²)	(²)	(²)	(²)
Over 20 days	(²)	1	(²)	(²)	15 days	8	6	6	10
At 5 years of service:					Over 15 and under 20 days	(²)	1	(²)	(²)
Under 5 days	(²)	(²)	(²)	(²)	20 days	30	34	35	26
5 days	1	(²)	1	1	Over 20 and under 25 days	2	3	3	2
Over 5 and under 10 days	(²)	-	(²)	(²)	25 days	48	48	48	47
10 days	47	32	39	59	Over 25 and under 30 days	1	1	1	1
Over 10 and under 15 days	7	7	6	7	30 days	5	5	4	5
15 days	42	54	51	31	Over 30 days	1	1	1	1
Over 15 and under 20 days	1	2	1	(²)	At 30 years of service: ³				
20 days	1	3	1	(²)	Under 10 days	(²)	(²)	(²)	1
Over 20 days	(²)	1	(²)	(²)	10 days	3	1	1	5
At 10 years of service:					Over 10 and under 15 days	(²)	(²)	(²)	(²)
5 days	1	(²)	(²)	1	15 days	8	6	6	10
Over 5 and under 10 days	(²)	-	(²)	(²)	Over 15 and under 20 days	(²)	(²)	(²)	(²)
10 days	6	3	3	10	20 days	29	33	34	24
Over 10 and under 15 days	1	(²)	1	1	Over 20 and under 25 days	1	1	1	1
15 days	68	64	74	66	25 days	43	42	45	43
Over 15 and under 20 days	7	6	4	9	Over 25 and under 30 days	1	1	1	1
20 days	15	25	17	10	30 days	10	12	9	10
Over 20 days	1	2	1	1	Over 30 days	3	2	2	3

¹ Excludes situations where employees are credited with vacation days during the first 6 months of service but, as a matter of establishment policy, must wait beyond 6 months before taking those days off.

² Less than 0.5 percent.

³ Provisions were virtually the same after longer years of service.

NOTE: Data include anniversary year bonus days and exclude extended vacations. Dash indicates no employees in this category.

Table 8. Paid holidays and vacations: Average number of days for full-time participants, medium and large firms, 1984

Item	All participants	Professional and administrative participants	Technical and clerical participants	Production participants
Paid holidays	9.8	10.0	9.7	9.8
Paid vacation by length of service:				
At 6 months	3.3	4.6	4.0	2.3
At 1 year	8.6	10.3	9.5	7.4
At 3 years	10.4	11.0	10.4	10.0
At 5 years	12.5	13.4	12.9	11.7
At 10 years	15.6	16.4	15.8	15.1
At 15 years	18.2	18.9	18.7	17.6
At 20 years	20.5	21.1	20.7	20.2
At 25 years	22.3	22.7	22.5	22.0
At 30 years ¹	22.8	23.3	23.0	22.5

¹ The average (mean) was essentially the same for longer lengths of service.

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

Table 9. Paid vacations: Percent of full-time participants by length of service required to take vacation, medium and large firms, 1984

Length of service requirement	All participants	Professional and administrative participants	Technical and clerical participants	Production participants
Total	100	100	100	100
With service requirement	97	95	97	98
1 month	7	10	10	5
2 months	2	4	2	2
3 months	10	10	10	9
4-5 months	2	1	2	3
6 months	38	48	47	28
7-11 months	1	1	2	1
1 year	36	22	23	50
Over 1 year	(¹)	-	(¹)	(¹)
Without service requirement	3	5	3	2
Service requirement not determinable	(¹)	(¹)	(¹)	(¹)

¹ Less than 0.5 percent.

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

Table 10. Paid personal leave: Percent of full-time employees by number of paid personal leave days provided per year, medium and large firms, 1984

Number of days	All employees	Professional and administrative employees	Technical and clerical employees	Production employees
Total	100	100	100	100
Provided personal leave	23	29	34	15
1 day	2	2	3	2
2 days	5	7	9	2
3 days	2	3	3	2
4 days	4	4	5	3
5 days	4	7	6	2
More than 5 days	1	2	2	1
No maximum specified ¹	3	5	4	1
Varies by length of service	2	1	2	2
Not provided personal leave	77	71	66	85

¹ Workers were provided as much personal leave as they needed.

NOTE: Because of rounding, sums of individual items may not equal totals.

Table 11. Short-term disability coverage: Percent of full-time employees by participation in sickness and accident insurance plans and paid sick leave plans, medium and large firms, 1984

Type of plan	All employees	Professional and administrative employees	Technical and clerical employees	Production employees
Total	100	100	100	100
Sickness and accident insurance only	27	4	5	50
Wholly employer financed	23	2	4	44
Paid sick leave only	43	67	61	21
Combined sickness and accident insurance/paid sick leave	24	25	31	20
Wholly employer financed	18	17	22	17
No sickness and accident insurance or paid sick leave	6	5	3	8

NOTE: Because of rounding, sums of individual items may not equal totals.

Table 12. Paid sick leave: Percent of full-time employees by type of provision, medium and large firms, 1984

Provision	All employees	Professional and administrative employees	Technical and clerical employees	Production employees
Total	100	100	100	100
Provided sick leave	67	92	92	42
Sick leave provided on:				
An annual basis only ¹	48	58	65	34
A per disability basis only ²	14	23	18	7
Both an annual and per disability basis	4	6	7	1
As needed basis ³	1	4	1	(⁴)
Other basis ⁵	(⁴)	(⁴)	(⁴)	(⁴)
Not provided paid sick leave	33	8	8	58

¹ Employees earn a specified number of paid sick leave days per year. This number may vary by length of service.

² Number of days of paid sick leave is renewed for each illness or disability. This number may vary by length of service.

³ Plan does not specify maximum number of days.

⁴ Less than 0.5 percent.

⁵ Includes formal plans with provisions that change from a specified number of days per year to a specified number of days per absence after a certain service period.

NOTE: Because of rounding, sums of individual items may not equal totals.

Table 13. Paid sick leave: Percent of full-time employees by sick leave provision, medium and large firms, 1984

Sick leave policy ¹	All employees	Professional and administrative employees	Technical and clerical employees	Production employees	Sick leave policy ¹	All employees	Professional and administrative employees	Technical and clerical employees	Production employees
Total	100	100	100	100	Sick leave provided annually ³ —Continued				
Provided sick leave ²	67	92	92	42	Unused sick leave provisions:				
Sick leave provided annually ³	51	64	73	34	Carry-over only	16	18	24	11
At 6 months of service:					Cash-in only	5	2	5	6
Under 5 days	11	10	15	9	Cash-in and carry-over	3	1	3	4
5 and under 10 days	16	19	25	9	No provision	28	43	41	13
10 and under 30 days	11	21	17	3	Data not available	(*)	1	(*)	(*)
30 and under 60 days	1	2	1	(*)	Sick leave provided on a per disability basis ⁶	17	29	25	7
60 and under 120 days	1	2	1	(*)	At 6 months of service:				
120 days or more	1	3	1	(*)	Under 5 days	1	1	1	(*)
At 1 year of service:					5 and under 10 days	4	7	5	1
Under 5 days	3	1	2	5	10 and under 30 days	3	7	6	1
5 and under 10 days	19	15	27	17	30 and under 60 days	1	2	2	(*)
10 and under 30 days	22	34	36	9	60 and under 120 days	1	2	1	(*)
30 and under 60 days	2	5	3	(*)	120 days or more	3	7	3	(*)
60 and under 120 days	2	4	2	(*)	At 1 year of service:				
120 days or more	2	4	1	1	Under 5 days	1	1	2	1
At 5 years of service:					5 and under 10 days	2	4	3	1
Under 5 days	2	1	2	3	10 and under 30 days	4	7	7	1
5 and under 10 days	16	12	20	16	30 and under 60 days	2	5	3	(*)
10 and under 30 days	17	22	28	9	60 and under 120 days	1	3	1	(*)
30 and under 60 days	6	10	11	2	120 days or more	3	7	3	1
60 and under 120 days	6	12	9	2	At 5 years of service:				
120 days or more	3	7	2	1	Under 30 days	3	5	1	1
At 10 years of service:					30 and under 60 days	3	4	5	1
Under 5 days	2	1	1	3	60 and under 120 days	7	11	10	4
5 and under 10 days	15	12	19	15	120 days or more	4	9	4	1
10 and under 30 days	16	21	25	8	At 10 years of service:				
30 and under 60 days	4	6	7	2	Under 30 days	2	3	3	1
60 and under 120 days	8	12	11	4	30 and under 60 days	2	3	3	(*)
120 days or more	6	13	8	1	60 and under 120 days	7	10	10	4
At 15 years of service:					120 days or more	6	13	7	1
Under 5 days	2	(*)	1	3	At 15 years of service:				
5 and under 10 days	15	12	19	15	Under 60 days	3	5	6	1
10 and under 30 days	16	20	25	8	60 and under 120 days	4	7	6	1
30 and under 60 days	2	3	4	1	120 days or more	10	17	12	5
60 and under 120 days	7	11	11	3	At 20 years of service:				
120 days or more	8	17	12	2	Under 60 days	3	5	6	1
At 20 years of service:					60 and under 120 days	4	7	6	1
Under 5 days	2	(*)	1	3	120 days or more	10	17	12	5
5 and under 10 days	15	12	19	15	At 25 years of service: ⁵				
10 and under 30 days	15	20	25	8	Under 60 days	3	5	6	1
30 and under 60 days	2	2	3	1	60 and under 120 days	3	5	5	1
60 and under 120 days	7	11	10	4	120 days or more	10	19	13	5
120 days or more	9	18	13	2	As needed basis ⁷	1	4	1	(*)
At 25 years of service: ⁵					Other basis ⁸	(*)	(*)	(*)	(*)
Under 5 days	1	(*)	1	1	Not provided paid sick leave	33	8	8	58
5 and under 10 days	16	12	19	17					
10 and under 30 days	15	20	25	8					
30 and under 60 days	2	2	3	1					
60 and under 120 days	5	8	8	3					
120 days or more	11	22	15	3					

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

² The total is less than the sum of the individual breakdowns because some employees were covered under both an annual and a per disability plan.

³ Employees earn a specified number of sick days per year. This

number may vary by length of service.

⁴ Less than 0.5 percent.

⁵ Provisions were virtually the same after longer years of service.

⁶ Sick leave is provided on a per illness or per disability basis. This number may vary by length of service.

⁷ Plan does not specify maximum number of days.

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

Table 14. Paid sick leave: Average number of days at full pay for full-time participants by type of plan, medium and large firms, 1984

Item	All participants	Professional and administrative participants	Technical and clerical participants	Production participants
Paid annual sick leave ¹ by length of service:				
At 6 months	12.9	19.3	10.2	7.8
At 1 year	17.0	26.1	14.7	10.3
At 3 years	21.8	32.6	20.5	12.5
At 5 years	28.5	42.0	27.2	16.6
At 10 years	37.6	53.6	38.3	21.1
At 15 years	43.0	60.1	44.8	24.3
At 20 years	45.9	64.0	47.7	26.1
At 25 years	47.9	67.1	49.4	27.3
At 30 years ²	48.4	67.8	49.9	27.7
Paid per disability sick leave ³ by length of service:				
At 6 months	44.1	51.4	36.1	35.0
At 1 year	48.7	56.2	39.0	46.4
At 3 years	53.8	64.1	46.4	44.2
At 5 years	71.2	78.9	64.1	66.8
At 10 years	84.6	93.5	80.1	73.2
At 15 years	101.3	105.6	94.8	103.4
At 20 years	116.3	116.2	107.9	131.3
At 25 years	130.9	126.1	120.5	159.2
At 30 years ²	131.1	126.3	120.7	159.2

¹ Employees earn a specified number of days per year. This number may vary by length of service.

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

³ Employees earn a specified number of sick leave days for each illness or disability. This number may vary by length of service.

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

Table 15. Paid annual sick leave:¹ Average number of days at full pay for full-time participants by accumulation policy and sickness and accident insurance coordination, medium and large firms, 1984

Item	All participants	Professional and administrative participants	Technical and clerical participants	Production participants	Item	All participants	Professional and administrative participants	Technical and clerical participants	Production participants
At 1 year of service:					At 10 years of service:—Continued				
Cumulative plan	10.3	13.5	10.5	7.9	Noncumulative plan	49.7	67.3	49.9	28.2
With sickness and accident insurance	7.5	10.1	8.4	5.8	With sickness and accident insurance	25.2	41.6	29.1	12.2
Without sickness and accident insurance	12.5	15.4	11.9	10.4	Without sickness and accident insurance	66.1	78.1	61.5	50.3
Noncumulative plan	21.0	31.7	17.3	12.2	At 20 years of service:				
With sickness and accident insurance	11.0	17.9	11.8	6.1	Cumulative plan	19.1	25.8	21.0	12.9
Without sickness and accident insurance	27.8	37.5	20.4	21.3	With sickness and accident insurance	16.4	22.7	22.9	9.5
At 5 years of service:					Without sickness and accident insurance	21.2	27.4	19.7	17.1
Cumulative plan	13.8	19.1	14.6	9.6	Noncumulative plan	61.7	81.1	63.5	36.3
With sickness and accident insurance	11.1	15.7	13.8	7.3	With sickness and accident insurance	33.4	52.7	39.6	17.0
Without sickness and accident insurance	16.0	20.9	15.1	12.5	Without sickness and accident insurance	80.5	93.0	76.7	62.6
Noncumulative plan	37.2	52.2	34.6	22.0	At 25 years of service:				
With sickness and accident insurance	18.2	30.1	19.9	9.6	Cumulative plan	19.4	26.2	21.2	13.0
Without sickness and accident insurance	49.9	61.4	42.8	39.4	With sickness and accident insurance	16.9	23.3	23.5	9.8
At 10 years of service:					Without sickness and accident insurance	21.4	27.8	19.8	17.1
Cumulative plan	17.2	23.0	18.6	11.9	Noncumulative plan	64.7	85.3	66.0	38.3
With sickness and accident insurance	14.7	20.2	19.7	9.1	With sickness and accident insurance	36.0	56.2	42.7	18.6
Without sickness and accident insurance	19.1	24.5	17.9	15.4	Without sickness and accident insurance	83.7	97.5	78.8	65.2

¹ Paid sick leave plans with a specified number of days available each year. Per disability plans were excluded from this table because (1) only one-fifth of the employees with per disability plans were also covered under a sickness and accident insurance plan and (2) only annual sick leave plans allow the employee to carry over and accumulate unused sick leave from one year to the next year. Instead, the number

of days of paid leave under a per disability plan is renewed for each illness or disability after the employee returns to work for a specified period. Data on per disability plans are presented in table 14.

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

Table 16. Sickness and accident insurance: Percent of full-time participants by type and duration of payments, medium and large firms, 1984

Type of payment	Maximum weeks of coverage								
	Total	Less than 13	13	14-25	26	27-51	52	Greater than 52	Varies by service
All participants									
All types	100	1	11	4	59	2	13	(¹)	11
Fixed percent of earnings	47	1	4	3	36	(¹)	1	(¹)	2
50-54	16	(¹)	1	1	13	(¹)	(¹)	-	(¹)
55-59	1	-	-	-	(¹)	(¹)	-	-	-
60-64	14	-	1	1	10	-	(¹)	(¹)	1
65-69	11	(¹)	1	(¹)	9	(¹)	(¹)	(¹)	1
70 or more	5	(¹)	1	(¹)	3	-	(¹)	-	(¹)
Percent of earnings varies	4	-	(¹)	(¹)	1	(¹)	2	-	1
By service	2	-	-	(¹)	(¹)	-	1	-	-
By length of disability	1	-	(¹)	-	(¹)	(¹)	1	-	-
By both service and length of disability	1	-	-	(¹)	(¹)	-	-	-	1
By earnings	(¹)	-	-	-	(¹)	-	-	-	(¹)
Fixed weekly dollar benefit	25	(¹)	6	1	14	1	2	(¹)	2
Less than \$60	4	-	3	-	1	(¹)	(¹)	-	-
\$60-\$79	3	-	2	-	1	(¹)	(¹)	-	(¹)
\$80-\$99	2	-	1	-	1	-	-	-	-
\$100-\$119	4	-	1	1	3	-	(¹)	(¹)	(¹)
\$120-\$139	4	(¹)	(¹)	(¹)	3	-	(¹)	-	(¹)
\$140 or more	8	-	(¹)	-	5	(¹)	1	-	2
Weekly dollar benefit varies	24	-	1	(¹)	7	1	9	-	6
By earnings	23	-	1	(¹)	7	1	9	-	6
By service or length of disability	1	-	(¹)	-	(¹)	-	(¹)	-	(¹)
Professional and administrative									
All types	100	1	7	4	74	1	10	(¹)	2
Fixed percent of earnings	73	1	5	3	60	1	1	(¹)	1
50-54	24	(¹)	2	(¹)	22	-	-	-	(¹)
55-59	1	-	-	-	1	1	-	-	-
60-64	25	-	1	2	21	-	(¹)	(¹)	-
65-69	16	1	1	(¹)	12	-	-	(¹)	1
70 or more	7	-	1	1	5	-	(¹)	-	-
Percent of earnings varies	11	-	-	(¹)	2	-	7	-	1
By service	5	-	-	(¹)	(¹)	-	4	-	-
By length of disability	4	-	-	-	1	-	3	-	-
By both service and length of disability	2	-	-	-	1	-	-	-	1
By earnings	1	-	-	-	(¹)	-	-	-	(¹)
Fixed weekly dollar benefit	8	(¹)	1	1	6	-	(¹)	-	(¹)
Less than \$60	2	-	1	-	1	-	-	-	-
\$60-\$79	(¹)	-	(¹)	-	(¹)	-	-	-	-
\$80-\$99	(¹)	-	(¹)	-	(¹)	-	-	-	-
\$100-\$119	2	-	-	1	2	-	(¹)	-	-
\$120-\$139	2	(¹)	-	-	1	-	(¹)	-	-
\$140 or more	2	-	-	-	2	-	(¹)	-	(¹)
Weekly dollar benefit varies	8	-	(¹)	-	6	(¹)	1	-	(¹)
By earnings	7	-	(¹)	-	6	(¹)	1	-	(¹)
By service or length of disability	(¹)	-	-	-	(¹)	-	-	-	-

See footnotes at end of table.

Table 16. Sickness and accident insurance: Percent of full-time participants by type and duration of payments, medium and large firms, 1984—Continued

Type of payment	Maximum weeks of coverage								Varies by service
	Total	Less than 13	13	14-25	26	27-51	52	Greater than 52	
Technical and clerical									
All types	100	2	11	6	68	1	6	(1)	7
Fixed percent of earnings	72	2	7	4	55	1	1	(1)	2
50-54	28	1	1	1	25	(1)	(1)	-	(1)
55-59	1	-	-	-	1	(1)	-	-	-
60-64	18	-	3	3	10	-	(1)	(1)	1
65-69	14	1	2	(1)	11	-	-	-	(1)
70 or more	10	-	2	(1)	8	-	(1)	-	(1)
Percent of earnings varies	9	-	(1)	1	2	(1)	3	-	2
By service	5	-	-	1	2	-	2	-	-
By length of disability	2	-	(1)	-	(1)	(1)	1	-	-
By both service and length of disability	2	-	-	(1)	1	-	-	-	1
By earnings	1	-	-	-	(1)	-	-	-	(1)
Fixed weekly dollar benefit	10	-	3	(1)	6	-	(1)	-	(1)
Less than \$60	2	-	2	-	1	-	-	-	-
\$60-\$79	1	-	1	-	(1)	-	(1)	-	(1)
\$80-\$99	1	-	(1)	-	(1)	-	-	-	-
\$100-\$119	2	-	(1)	(1)	2	-	-	-	-
\$120-\$139	2	-	(1)	-	1	-	(1)	-	-
\$140 or more	2	-	(1)	-	2	-	(1)	-	(1)
Weekly dollar benefit varies	9	-	(1)	(1)	5	(1)	1	-	3
By earnings	8	-	(1)	(1)	4	(1)	1	-	3
By service or length of disability	1	-	(1)	-	1	-	(1)	-	-
Production									
All types	100	(1)	12	4	53	2	16	(1)	14
Fixed percent of earnings	35	(1)	3	2	26	(1)	1	(1)	2
50-54	11	(1)	1	1	8	-	(1)	-	(1)
55-59	(1)	-	-	-	(1)	(1)	-	-	-
60-64	11	-	(1)	1	8	-	(1)	(1)	1
65-69	10	(1)	1	(1)	7	(1)	(1)	-	1
70 or more	3	(1)	1	(1)	2	-	(1)	-	-
Percent of earnings varies	1	-	-	(1)	(1)	(1)	-	-	(1)
By service	(1)	-	-	(1)	(1)	-	-	-	-
By length of disability	(1)	-	-	-	-	(1)	-	-	-
By both service and length of disability	1	-	-	(1)	(1)	-	-	-	(1)
By earnings	(1)	-	-	-	-	-	-	-	(1)
Fixed weekly dollar benefit	32	(1)	8	1	18	1	2	(1)	2
Less than \$60	5	-	3	-	2	(1)	(1)	-	-
\$60-\$79	4	-	2	-	1	(1)	(1)	-	(1)
\$80-\$99	2	-	1	-	2	-	-	-	-
\$100-\$119	5	-	1	1	4	-	-	(1)	(1)
\$120-\$139	4	(1)	(1)	(1)	3	-	1	-	(1)
\$140 or more	11	-	(1)	-	6	1	2	-	2
Weekly dollar benefit varies	32	-	1	(1)	8	1	13	-	9
By earnings	31	-	1	(1)	8	1	12	-	8
By service or length of disability	1	-	(1)	-	(1)	-	(1)	-	(1)

¹ Less than 0.5 percent.

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

Table 17. Sickness and accident insurance: Percent of full-time participants with benefits based on percent of earnings formula by maximum weekly benefit, medium and large firms, 1984

Type of payment	Total	Maximum weekly benefit										No maximum
		Total with maximum	Less than \$80	\$80 to \$99	\$100 to \$119	\$120 to \$139	\$140 to \$159	\$160 to \$199	\$200 to \$249	\$250 to \$299	\$300 or more	
All participants												
Total	100	71	(¹)	2	5	19	14	4	10	4	13	29
Fixed percent of earnings	92	70	(¹)	2	5	19	14	4	10	4	12	22
50-54	31	27	(¹)	2	1	15	3	1	2	1	1	5
55-59	1	1	-	-	-	-	-	1	-	(¹)	-	(¹)
60-64	28	19	(¹)	1	1	3	1	1	6	1	6	9
65-69	22	16	-	(¹)	1	(¹)	9	(¹)	1	(¹)	4	6
70 or more	10	7	(¹)	-	1	(¹)	1	(¹)	1	1	2	3
Percent of earnings varies	8	1	-	-	-	-	-	-	(¹)	(¹)	1	7
Professional and administrative												
Total	100	70	(¹)	1	1	20	11	2	9	5	20	30
Fixed percent of earnings	87	69	(¹)	1	1	20	11	2	9	4	20	18
50-54	29	24	(¹)	-	1	19	1	1	1	1	(¹)	5
55-59	1	1	-	-	-	-	-	1	-	-	-	-
60-64	30	24	(¹)	1	-	1	-	(¹)	7	3	12	6
65-69	19	15	-	(¹)	(¹)	(¹)	9	(¹)	1	(¹)	4	4
70 or more	8	5	-	-	1	(¹)	(¹)	-	(¹)	(¹)	3	3
Percent of earnings varies	13	1	-	-	-	-	-	-	(¹)	(¹)	(¹)	12
Technical and clerical												
Total	100	70	(¹)	1	7	25	13	3	7	3	12	30
Fixed percent of earnings	88	68	(¹)	1	7	25	13	3	7	3	10	20
50-54	35	30	(¹)	(¹)	1	22	4	(¹)	1	1	(¹)	5
55-59	1	1	-	-	-	-	-	1	-	-	-	(¹)
60-64	22	13	(¹)	1	(¹)	2	(¹)	1	3	1	4	9
65-69	17	15	-	(¹)	2	(¹)	8	(¹)	1	(¹)	3	3
70 or more	13	9	-	-	4	1	(¹)	(¹)	1	(¹)	2	4
Percent of earnings varies	12	2	-	-	-	-	-	-	(¹)	(¹)	1	10
Production												
Total	100	72	1	3	5	16	16	4	13	4	10	28
Fixed percent of earnings	97	72	1	3	5	16	16	4	12	4	10	25
50-54	30	26	-	3	1	10	3	2	3	1	1	4
55-59	1	1	-	-	-	-	-	(¹)	-	(¹)	-	(¹)
60-64	31	21	(¹)	(¹)	2	5	2	1	6	1	3	10
65-69	27	18	-	-	1	(¹)	10	1	2	(¹)	4	8
70 or more	8	6	(¹)	-	(¹)	(¹)	1	-	1	1	2	2
Percent of earnings varies	3	1	-	-	-	-	-	-	(¹)	-	1	2

¹ Less than 0.5 percent.

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

Table 18. Long-term disability insurance: Percent of full-time participants by method of determining payment, medium and large firms, 1984

Method	All participants			Professional and administrative participants			Technical and clerical participants			Production participants		
	Total	With maximum coverage provisions ¹	Without maximum coverage provisions	Total	With maximum coverage provisions ¹	Without maximum coverage provisions	Total	With maximum coverage provisions ¹	Without maximum coverage provisions	Total	With maximum coverage provisions ¹	Without maximum coverage provisions
All methods	100	71	29	100	72	28	100	75	25	100	67	33
Fixed percent of earnings	77	61	16	83	62	21	82	64	18	67	57	9
Less than 50 percent	1	1	1	1	1	1	1	1	(²)	2	1	1
50 percent	23	18	5	23	16	7	21	16	5	25	23	3
55 percent	(²)	(²)	(²)	-	-	-	(²)	(²)	(²)	1	1	-
60 percent	40	32	8	45	35	10	47	37	10	28	24	4
65 or 67 percent	10	9	1	11	9	2	9	8	1	9	9	1
70 percent or more	2	1	1	2	1	1	3	1	1	1	(²)	(²)
Percent varies by earnings	8	6	2	9	6	2	12	10	3	4	3	1
Percent varies by service	1	(²)	1	1	(²)	1	1	(²)	1	1	1	(²)
Scheduled dollar amount varies by earnings	8	2	7	1	1	-	1	1	(²)	24	3	20
Other ³	5	2	3	6	2	4	3	(²)	3	5	3	2

¹ Includes dollar maximums in plans that pay a percent of earnings, ceilings on income during disability that limit the amount payable from the LTD plans plus other income, or a combination of both.

² Less than 0.5 percent.

³ Includes flat dollar amounts and scheduled percent of earnings

varying by length of disability.

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

Table 19. Long-term disability insurance: Percent of full-time participants by duration of benefits, medium and large firms, 1984

Duration of benefits	All participants	Professional and administrative participants	Technical and clerical participants	Production participants
Total	100	100	100	100
Until a specified age	26	24	27	27
Under age 65	(¹)	(¹)	(¹)	(¹)
Age 65	23	21	23	25
Age 70	3	3	3	2
Duration of benefit varies	66	68	66	65
By length of service	1	1	1	1
By age at time of disability ²	66	67	65	64
Single reduction	34	35	31	37
Gradual reduction	31	32	34	27
Other ³	8	8	7	8

¹ Less than 0.5 percent.

² Under the Age Discrimination in Employment Act, age-based reductions in employee benefit plans are permissible when justified by significant cost considerations.

³ Includes benefits lasting for life, for a specified number of months, or until some unspecified retirement age.

NOTE: Because of rounding, sums of individual items may not equal totals.

Table 20. Health insurance: Percent of full-time participants by coverage for selected categories of medical care, medium and large firms, 1984

Category of medical care	Total	Care provided				Care not provided
		All	By basic benefits only ¹	By major medical only ²	By basic benefits and major medical	
All participants						
Hospital room and board	100	100	17	28	54	(³)
Hospitalization—miscellaneous services	100	100	16	29	54	(³)
Outpatient care ⁴	100	100	12	27	60	(³)
Extended care facility ⁵	100	62	24	28	11	38
Home health care ⁵	100	46	22	16	9	54
Surgical	100	100	32	29	39	(³)
Physician visits—in hospital	100	100	12	49	38	(³)
Physician visits—office	100	96	6	83	7	4
Diagnostic X-ray and laboratory ⁶	100	100	25	42	33	(³)
Prescription drugs—nonhospital	100	98	14	81	3	2
Private-duty nursing	100	96	6	89	1	4
Mental health care	100	99	10	28	61	1
Dental	100	77	72	5	-	23
Vision	100	30	26	4	(³)	70
Professional and administrative						
Hospital room and board	100	100	16	32	52	(³)
Hospitalization—miscellaneous services	100	100	15	33	51	(³)
Outpatient care ⁴	100	100	9	30	61	(³)
Extended care facility ⁵	100	66	22	31	13	34
Home health care ⁵	100	48	20	18	10	52
Surgical	100	100	31	33	36	(³)
Physician visits—in hospital	100	100	11	58	32	(³)
Physician visits—office	100	99	7	88	4	1
Diagnostic X-ray and laboratory ⁶	100	100	23	49	28	(³)
Prescription drugs—nonhospital	100	98	12	82	4	2
Private-duty nursing	100	99	7	91	1	1
Mental health care	100	100	8	31	60	(³)
Dental	100	79	74	5	-	21
Vision	100	26	21	5	(³)	74
Technical and clerical						
Hospital room and board	100	100	16	32	51	(³)
Hospitalization—miscellaneous services	100	100	14	33	52	(³)
Outpatient care ⁴	100	100	10	31	59	(³)
Extended care facility ⁵	100	63	18	31	13	37
Home health care ⁵	100	47	18	18	11	53
Surgical	100	100	32	33	35	(³)
Physician visits—in hospital	100	100	11	56	32	(³)
Physician visits—office	100	99	7	87	5	1
Diagnostic X-ray and laboratory ⁶	100	100	23	48	29	(³)
Prescription drugs—nonhospital	100	97	11	84	3	3
Private-duty nursing	100	99	7	89	2	1
Mental health care	100	99	8	32	60	1
Dental	100	75	70	5	-	25
Vision	100	26	21	5	(³)	74

See footnotes at end of table.

Table 20. Health insurance: Percent of full-time participants by coverage for selected categories of medical care, medium and large firms, 1984—Continued

Category of medical care	Total	Care provided				Care not provided
		All	By basic benefits only ¹	By major medical only ²	By basic benefits and major medical	
Production						
Hospital room and board	100	100	18	25	57	(³)
Hospitalization—miscellaneous services	100	100	18	25	57	(³)
Outpatient care ⁴	100	100	16	24	60	(³)
Extended care facility ⁵	100	60	27	24	9	40
Home health care ⁵	100	44	24	13	7	56
Surgical	100	100	32	25	43	(³)
Physician visits—in hospital	100	100	14	42	44	(³)
Physician visits—office	100	94	5	79	9	6
Diagnostic X-ray and laboratory ⁶	100	100	27	36	37	(³)
Prescription drugs—nonhospital	100	98	17	79	2	2
Private-duty nursing	100	93	5	87	1	7
Mental health care	100	99	13	25	62	1
Dental	100	76	71	5	—	24
Vision	100	33	30	3	(³)	67

¹ A provision was classified as a basic benefit when it related to the initial expenses incurred for a specific medical service. Under these provisions, a plan paid covered expenses in one of several ways: (1) In full with no limitation; (2) in full for a specified period of time, or until a dollar limit was reached; or (3) a cash scheduled allowance benefit that provided up to a dollar amount for a service performed by a hospital or physician. For a specific category of care, a plan may require the participant to pay a specific amount each disability or year (deductible) or a nominal charge each visit or procedure (copayment) before reimbursement begins or services are rendered.

² Major medical benefits cover many categories of expenses, some of which are not covered under basic benefits, and others for which basic coverage limits have been exhausted. These benefits are characterized by deductible and coinsurance provisions that are applied across

categories of care.

³ Less than 0.5 percent.

⁴ Coverage for any of the following services charged by the outpatient department of the hospital: Treatment for accidental injury or emergency sickness; surgical procedures; rehabilitative or physical therapy; and treatment for chronic illness (radiation therapy, etc.).

⁵ 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.

⁶ 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. Dash indicates no employees in this category.

Table 21. Health insurance: Percent of full-time participants in plans with basic hospital room and board coverage by type of benefit payments and limits to coverage, medium and large firms, 1984

Type of payment	Total	Subject to limit on days of coverage per hospital confinement ¹						Subject to other limits ²	Unlimited
		All	Under 120 days	120 days	121 - 364 days	365 days	366 days or more		
All participants									
Total	100	70	11	19	4	31	4	18	12
Daily dollar allowance	6	5	3	1	(³)	1	(³)	1	-
Less than \$50	1	(³)	(³)	(³)	-	-	-	(³)	-
\$50-\$74	1	1	1	(³)	-	-	-	(³)	-
\$75-\$99	1	1	1	(³)	(³)	(³)	-	(³)	-
\$100-\$124	1	1	1	(³)	-	(³)	(³)	-	-
\$125 or more	1	1	1	(³)	-	(³)	-	(³)	-
Semiprivate rate	94	65	8	18	4	31	4	17	12
Professional and administrative									
Total	100	65	10	20	3	29	3	22	13
Daily dollar allowance	4	4	2	1	(³)	1	-	(³)	-
Less than \$50	(³)	(³)	(³)	-	-	-	-	(³)	-
\$50-\$74	(³)	(³)	(³)	-	-	-	-	-	-
\$75-\$99	1	1	1	1	(³)	-	-	-	-
\$100-\$124	1	1	(³)	-	-	(³)	-	-	-
\$125 or more	2	2	1	(³)	-	(³)	-	(³)	-
Semiprivate rate	96	61	8	19	3	28	3	22	13
Technical and clerical									
Total	100	65	10	23	4	25	3	20	15
Daily dollar allowance	3	3	1	1	(³)	(³)	(³)	(³)	-
Less than \$50	(³)	(³)	(³)	-	-	-	-	(³)	-
\$50-\$74	(³)	(³)	(³)	-	-	-	-	(³)	-
\$75-\$99	1	1	(³)	1	(³)	-	-	-	-
\$100-\$124	(³)	(³)	(³)	-	-	(³)	(³)	-	-
\$125 or more	1	1	(³)	(³)	-	(³)	-	(³)	-
Semiprivate rate	97	62	9	22	3	25	3	20	15
Production									
Total	100	75	12	18	5	35	6	15	9
Daily dollar allowance	8	6	4	2	-	1	(³)	1	-
Less than \$50	1	(³)	(³)	(³)	-	-	-	1	-
\$50-\$74	2	1	1	(³)	-	-	-	1	-
\$75-\$99	2	1	1	(³)	-	(³)	-	(³)	-
\$100-\$124	2	2	1	1	-	-	(³)	-	-
\$125 or more	1	1	1	(³)	-	(³)	-	(³)	-
Semiprivate rate	92	69	9	16	5	34	6	14	9

¹ In some plans, the limit on days of coverage varied by length of participation in the plan; in these cases, the participant was assumed to have been in the plan for 15 years.

² Includes workers in plans where the basic benefit is limited by a maximum dollar amount per confinement or per year, and other plans where the limit on the number of days of coverage applies within a

specified time period.

³ Less than 0.5 percent.

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

Table 22. Health insurance: Percent of full-time participants in plans with basic surgical benefits by maximum allowance for selected procedures, medium and large firms, 1984

Maximum allowance	All participants	Professional and administrative participants	Technical and clerical participants	Production participants
Total	100	100	100	100
Usual, customary, and reasonable charge	69	76	74	64
With overall dollar limit on basic surgical payments	5	6	4	6
Without overall dollar limit on basic surgical payments	64	70	70	58
Plan pays:				
80 percent	3	3	5	2
90 percent	1	1	2	(¹)
95 percent	6	6	7	5
100 percent	54	60	55	51
Maximum scheduled allowance	31	24	26	36
Most expensive surgical procedure:				
\$201-\$300	2	1	1	3
\$301-\$400	1	(¹)	1	2
\$401-\$500	2	1	2	3
\$501-\$750	7	4	4	9
\$751-\$1000	5	4	3	6
\$1001-\$1250	3	3	2	3
\$1251-\$1500	4	2	4	4
\$1501-\$2000	4	4	6	4
\$2001-\$2500	1	1	1	1
\$2501-\$3000	1	2	1	1
More than \$3000	2	1	1	2
Not determinable ²	(¹)	(¹)	(¹)	(¹)
Appendectomy:				
\$100 or less	(¹)	(¹)	(¹)	(¹)
\$101-\$150	2	1	2	3
\$151-\$200	3	3	2	4
\$201-\$300	10	7	7	12
\$301-\$400	6	6	5	7
\$401-\$500	2	1	3	2
\$501-\$750	5	5	4	6
More than \$750	1	1	(¹)	1
Not determinable ²	1	1	1	1
Tonsillectomy:				
\$50 or less	2	1	1	2
\$51-\$100	12	8	8	15
\$101-\$150	8	8	8	8
\$151-\$200	4	2	4	6
\$201-\$300	3	5	2	3
More than \$300	(¹)	(¹)	(¹)	(¹)
Not determinable ²	2	1	2	2
Hysterectomy:				
\$200 or less	(¹)	(¹)	(¹)	1
\$201-\$300	5	3	4	6
\$301-\$400	7	4	4	9
\$401-\$500	5	4	5	5
\$501-\$750	7	6	7	7
\$751-\$1000	4	3	3	5
\$1001-\$1250	1	1	1	1
More than \$1250	(¹)	(¹)	(¹)	(¹)
Not determinable ²	2	3	3	2

¹ Less than 0.5 percent.

² Information necessary to classify was not provided.

NOTE: Because of rounding, sums of individual items may not equal to-tals.

Table 23. Health insurance: Percent of full-time participants in plans with major medical coverage by amount of deductible and applicable benefit period,¹ medium and large firms, 1984

Amount of deductible ²	All participants			Professional and administrative participants			Technical and clerical participants			Production participants		
	Benefit period											
	Total	1-year period	Other period	Total	1-year period	Other period	Total	1-year period	Other period	Total	1-year period	Other period
Total	100	96	4	100	97	3	100	96	4	100	95	4
Deductible specified	99	96	4	100	97	3	100	96	4	99	95	4
Based on earnings ³	5	5	-	5	5	-	6	6	-	5	5	-
Flat dollar amount	94	91	4	94	92	3	94	90	4	94	91	4
Less than \$25	(⁴)	(⁴)	(⁴)	(⁴)	(⁴)	(⁴)	(⁴)	(⁴)	(⁴)	(⁴)	(⁴)	(⁴)
\$25	2	1	1	2	1	1	1	(⁴)	1	2	1	1
\$26-\$49	1	1	-	(⁴)	(⁴)	-	(⁴)	(⁴)	-	1	1	-
\$50	18	17	(⁴)	16	16	(⁴)	14	14	(⁴)	20	20	(⁴)
\$75	4	4	1	3	2	(⁴)	4	2	2	5	5	(⁴)
\$76-\$99	(⁴)	(⁴)	-	(⁴)	(⁴)	-	(⁴)	(⁴)	-	(⁴)	(⁴)	-
\$100	47	46	1	46	45	1	47	46	1	49	47	2
\$101-\$124	(⁴)	(⁴)	-	(⁴)	(⁴)	-	(⁴)	(⁴)	-	-	-	-
\$125	1	1	-	2	2	-	1	1	-	1	1	-
\$150	9	8	(⁴)	11	10	(⁴)	11	10	(⁴)	7	6	(⁴)
Over \$150	12	12	(⁴)	14	14	(⁴)	14	14	(⁴)	10	10	(⁴)
No deductible	1	-	-	(⁴)	-	-	(⁴)	-	-	1	-	-

¹ The deductible is the amount of covered expenses that an individual must pay before any charges are paid by the insurance plan. The benefit period is the length of time within which a single deductible requirement applies. Some plans require that expenses equal to the deductible be incurred within a shorter period, such as 90 days.

² Amount of deductible described is for each insured person. However, many plans contain a maximum family deductible. In some plans, the individual and family deductibles are identical.

³ These plans have deductibles which vary by the amount of the participants' earnings. A typical provision is 1 percent of annual earnings with a maximum deductible of \$150.

⁴ Less than 0.5 percent.

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

Table 24. Health insurance: Percent of full-time participants in plans with major medical coverage by coinsurance provisions,¹ medium and large firms, 1984

Final coinsurance provision	All participants					Professional and administrative participants					Technical and clerical participants					Production participants				
	Initial coinsurance																			
	To- tal	80 per- cent	85 per- cent	90 per- cent	Oth- er	To- tal	80 per- cent	85 per- cent	90 per- cent	Oth- er	To- tal	80 per- cent	85 per- cent	90 per- cent	Oth- er	To- tal	80 per- cent	85 per- cent	90 per- cent	Oth- er
Total	100	86	5	4	5	100	85	5	6	4	100	86	4	4	6	100	86	6	3	5
Final coinsurance changes to 100 percent	75	65	5	3	2	81	70	5	5	1	82	73	4	4	1	69	58	6	2	3
When covered expenses ² within a year reach:																				
\$1-\$2,000	11	10	-	(³)	(³)	11	11	-	1	(³)	15	14	-	1	(³)	9	8	-	(³)	(³)
\$2,001-\$4,000	20	19	1	(³)	(³)	25	23	1	(³)	(³)	23	22	(³)	(³)	(³)	16	15	1	(³)	(³)
\$4,001-\$6,000	25	22	1	1	1	27	24	1	2	(³)	26	24	1	1	(³)	22	20	(³)	(³)	1
\$6,001-\$8,000	8	4	3	(³)	1	6	3	3	(³)	1	5	3	2	(³)	1	10	5	4	(³)	1
\$8,001-\$10,000	8	6	(³)	2	(³)	7	5	1	2	(³)	10	7	(³)	2	(³)	8	6	(³)	1	(³)
More than \$10,000	4	3	(³)	(³)	-	5	4	(³)	(³)	-	3	2	1	(³)	-	4	3	(³)	(³)	-
Final coinsurance changes to other than 100 percent	1	(³)	-	-	(³)	1	1	-	-	(³)	1	1	-	-	(³)	(³)	(³)	-	-	(³)
Coinsurance unchanged	24	21	-	1	2	18	15	-	1	2	17	12	-	1	4	31	29	-	1	1

¹ Coinsurance is the percent of covered expenses paid by the plan. The balance is paid by the employee. If coinsurance provisions varied by the category of medical care, the provision applying to hospital room and board charges was tabulated.

² Amount of covered expenses described is for each insured person.

In rare cases, the limit for the individual and family are identical.

³ Less than 0.5 percent.

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

Table 25. Health insurance: Percent of full-time participants in plans with major medical coverage by maximum benefit provisions, medium and large firms, 1984

Type and dollar amount of maximum	All participants	Professional and administrative participants	Technical and clerical participants	Production participants
Total	100	100	100	100
With maximum limits ¹	82	79	75	88
Lifetime maximum only	72	70	68	76
Less than \$25,000	1	(²)	1	1
\$25,000	1	(²)	(²)	1
\$25,001-\$49,999	(²)	-	-	1
\$50,000	3	1	1	5
\$50,001-\$99,999	2	1	(²)	3
\$100,000	4	2	2	5
\$100,001-\$249,999	4	2	2	6
\$250,000	23	24	25	21
\$250,001-\$499,999	3	4	3	2
\$500,000	12	12	11	12
\$500,001-\$999,999	1	2	2	1
\$1,000,000	19	22	21	17
More than \$1,000,000	(²)	(²)	(²)	(²)
Annual or disability maximum only	5	5	4	6
Both lifetime and annual or disability maximums	5	4	3	7
Without maximum limits	18	21	25	12

¹ Most plans with a lifetime maximum have a reinstatement clause. By furnishing satisfactory medical evidence of insurability, an employee can apply for restoration of the full lifetime maximum. Regardless of a member's physical condition, however, a typical plan automatically restores up to \$1,000 of the major medical maximum each year.

² Less than 0.5 percent.

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

Table 26. Health insurance: Percent of full-time participants in plans with dental benefits by extent of coverage for selected procedures, medium and large firms, 1984

Type of dental procedure	Total	Sched- uled cash allow- ance	Incen- tive sched- ule ¹	Sub- ject to copay- ment ²	Percent of usual, customary, and reasonable charge										Not cov- ered
					Total	50	60	61-74	75	80	85	90	91-99	100	
All participants															
Examinations	100	16	2	(³)	82	(³)	(³)	1	2	24	1	1	-	53	(³)
Dental X-rays	100	16	2	(³)	82	(³)	(³)	1	2	27	4	6	-	41	(³)
Fillings	100	27	2	(³)	71	4	1	2	5	42	5	6	-	5	(³)
Dental surgery	100	26	2	(³)	71	5	1	2	5	41	4	6	-	5	1
Periodontal care	100	27	2	(³)	70	7	1	1	5	40	5	6	-	4	1
Inlays	100	27	1	(³)	70	39	5	2	1	13	3	6	-	2	2
Crowns	100	27	1	1	70	39	5	2	1	12	3	6	-	2	1
Orthodontia	100	12	-	1	59	51	3	1	(³)	2	1	(³)	(³)	1	28
Professional and administrative															
Examinations	100	19	2	(³)	79	1	(³)	1	3	22	(³)	1	-	51	(³)
Dental X-rays	100	20	2	(³)	79	1	(³)	2	3	26	1	3	-	43	(³)
Fillings	100	30	2	(³)	68	3	1	2	5	45	3	3	-	5	(³)
Dental surgery	100	29	1	(³)	68	4	1	2	5	45	3	3	-	5	1
Periodontal care	100	30	1	(³)	68	7	1	2	4	43	3	3	-	4	1
Inlays	100	30	(³)	(³)	68	41	6	2	2	12	1	3	-	2	1
Crowns	100	30	(³)	1	68	41	6	2	2	11	1	3	-	2	1
Orthodontia	100	16	-	1	58	49	4	1	(³)	2	1	-	(³)	1	25
Technical and clerical															
Examinations	100	14	2	(³)	83	1	(³)	1	1	29	(³)	1	-	49	(³)
Dental X-rays	100	15	2	(³)	83	1	(³)	2	1	32	1	3	-	42	(³)
Fillings	100	27	2	(³)	71	4	1	2	5	49	3	3	-	4	(³)
Dental surgery	100	26	2	1	71	4	1	3	4	49	3	3	-	4	1
Periodontal care	100	27	2	1	69	7	1	2	4	45	3	3	-	5	1
Inlays	100	27	(³)	(³)	71	43	6	3	1	13	1	3	-	1	2
Crowns	100	27	1	1	70	43	6	3	1	12	1	3	-	1	1
Orthodontia	100	14	-	1	56	48	3	1	(³)	2	1	-	(³)	(³)	29
Production															
Examinations	100	15	2	(³)	83	(³)	(³)	(³)	2	23	1	1	-	56	(³)
Dental X-rays	100	15	2	(³)	83	(³)	(³)	1	2	25	6	10	-	40	(³)
Fillings	100	26	2	(³)	72	6	1	1	6	36	7	10	-	6	(³)
Dental surgery	100	25	2	(³)	72	6	1	1	6	36	6	10	-	7	1
Periodontal care	100	25	2	(³)	72	7	1	1	6	36	7	10	-	4	1
Inlays	100	26	1	(³)	71	36	4	1	1	13	5	9	-	2	2
Crowns	100	26	1	(³)	71	36	4	1	1	13	5	9	-	2	2
Orthodontia	100	10	-	1	62	53	3	2	(³)	1	1	(³)	(³)	1	28

¹ Reimbursement arrangement in which the percentage of dental expenses paid by the plan increases if regular dental appointments are scheduled.

² Participant pays a specific amount per procedure and plan pays all remaining expenses.

³ Less than 0.5 percent.

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

Table 27. Health insurance: Percent of full-time participants in plans with dental benefits by deductible provision,¹ medium and large firms, 1984

Type of deductible ²	All participants	Professional and administrative participants	Technical and clerical participants	Production participants
Total	100	100	100	100
Subject to basic dental deductible ³ ..	65	68	70	61
Yearly deductible	56	60	61	52
Under \$25	1	1	1	1
\$25	28	30	29	27
\$26-\$49	1	2	1	1
\$50	23	23	25	22
Over \$50	3	4	4	2
Lifetime deductible	9	8	10	9
\$25	1	1	(⁴)	1
\$50	7	7	9	7
Over \$50	1	1	1	1
Subject to major medical deductible	6	6	7	6
No deductible	29	26	23	33

¹ Excludes separate deductibles for orthodontic procedures.

² Amount of deductible described is for each insured person. In some plans, the individual and family deductibles are identical.

³ Deductibles may not apply to all covered dental procedures. If more than one deductible amount applied to separate procedures, the sum of the deductible amounts was tabulated.

⁴ Less than 0.5 percent.

NOTE: Because of rounding, sums of individual items may not equal totals.

Table 28. Health insurance: Percent of full-time participants in plans with dental benefits by yearly maximum amount of insurance,¹ medium and large firms, 1984

Dollar amount	All participants	Professional and administrative participants	Technical and clerical participants	Production participants
Total	100	100	100	100
Yearly maximum specified ²	93	92	93	95
Less than \$500	1	(³)	(³)	1
\$500	6	4	6	7
\$501-\$749	2	2	1	2
\$750	21	22	21	21
\$751-\$999	2	1	(³)	2
\$1,000	48	45	46	50
\$1,001-\$1,499	5	5	5	4
\$1,500	6	9	8	4
Greater than \$1,500	4	5	6	3
No yearly maximum	7	8	7	5

¹ Includes all covered dental procedures except orthodontia. Amount of maximum specified is for each insured person.

² If more than one yearly maximum applied to separate procedures, the sum of the maximums was tabulated.

³ Less than 0.5 percent.

NOTE: Because of rounding, sums of individual items may not equal totals.

Table 29. Health insurance: Percent of full-time participants in plans with orthodontic benefits by lifetime maximum amount of coverage, medium and large firms, 1984

Dollar amount	All participants	Professional and administrative participants	Technical and clerical participants	Production participants
Total	100	100	100	100
Lifetime maximum specified	95	95	92	96
Less than \$500	(¹)	(¹)	(¹)	(¹)
\$500	15	14	15	15
\$501-\$749	8	6	4	11
\$750	16	18	16	16
\$751-\$999	12	11	8	15
\$1,000	36	37	39	33
\$1,001-\$1,499	1	1	1	1
\$1,500	4	4	5	3
Greater than \$1,500	2	3	3	1
No lifetime maximum	5	5	8	4

¹ Less than 0.5 percent.

NOTE: Because of rounding, sums of individual items may not equal totals.

Table 30. Health insurance: Percent of full-time participants in plans with vision benefits by extent of benefits, medium and large firms, 1984

Benefit	All participants	Professional and administrative participants	Technical and clerical participants	Production participants
Total	100	100	100	100
Eye examinations only	13	17	18	10
Examinations and eyeglasses	6	4	5	7
Examinations, eyeglasses, and contact lenses	71	68	66	75
Orthoptics ¹ only	5	4	6	4
Other combinations	5	6	6	4

¹ Exercises to improve the function of the eye muscles.

NOTE: Because of rounding, sums of individual items may not equal totals.

Table 31. Health insurance: Percent of full-time participants in plans with mental health benefits by extent of benefits, medium and large firms, 1984

Coverage limitation	All participants		Professional and administrative participants		Technical and clerical participants		Production participants	
	Hospital care	Outpatient care	Hospital care	Outpatient care	Hospital care	Outpatient care	Hospital care	Outpatient care
Total	100	100	100	100	100	100	100	100
With coverage	100	97	99	97	99	97	100	96
Covered the same as other illnesses	48	7	48	6	47	6	48	7
Subject to separate limitations ¹	52	90	51	91	52	91	52	89
Limit on days or visits	29	23	27	24	31	25	30	21
Limit on dollars	24	70	23	71	23	71	24	69
Major medical coinsurance limited to 50 percent	3	54	2	53	3	54	4	54
Other limitations	9	14	11	12	11	12	8	16
Not covered	(²)	3	1	3	1	3	(²)	4

¹ The total is less than the sum of the individual items because many plans had more than one type of limitation on mental health coverage.

² Less than 0.5 percent.

Table 32. Health insurance: Percent of full-time participants by coverage for selected special benefits, medium and large firms, 1984

Benefit item	All participants	Professional and administrative participants	Technical and clerical participants	Production participants
Total	100	100	100	100
Covered by at least one of the listed special benefits ¹	75	78	78	72
Second surgical opinion	38	43	39	36
Alcoholism treatment	61	61	63	59
Drug abuse treatment	52	52	53	51
Hearing care ²	14	13	11	16
Hospice care	11	13	11	10
Physical examinations	8	10	10	6
Not covered by any of listed special benefits	25	22	22	28

¹ The total is less than the sum of the individual items because many participants receive more than one benefit.

² Plan provided, as a minimum, coverage for hearing examination expenses.

Table 33. Health insurance: Percent of full-time participants in contributory plans by type and amount of employee contribution, medium and large firms, 1984

Type and amount of contribution	All participants		Professional and administrative participants		Technical and clerical participants		Production participants	
	Single coverage	Family coverage ¹	Single coverage	Family coverage ¹	Single coverage	Family coverage ¹	Single coverage	Family coverage ¹
Total	100	100	100	100	100	100	100	100
Flat monthly amount	93	93	91	92	93	93	93	94
Less than \$5.00	23	5	21	5	18	4	28	6
\$5.00-\$9.99	18	11	18	9	17	7	20	15
\$10.00-\$14.99	16	7	18	7	20	6	11	7
\$15.00-\$19.99	11	7	11	8	16	8	5	7
\$20.00-\$29.99	10	12	10	11	10	10	9	13
\$30.00-\$39.99	2	11	1	10	2	13	3	11
\$40.00-\$49.99	2	8	1	9	1	12	2	6
\$50.00-\$59.99	(²)	9	(²)	9	(²)	9	(²)	8
\$60.00-\$69.99	(²)	5	(²)	4	(²)	5	(²)	5
\$70.00-\$79.99	(²)	4	(²)	5	-	6	-	2
\$80.00-\$89.99	-	1	-	2	-	1	-	1
\$90.00-\$99.99	-	2	-	2	-	2	-	1
\$100.00 or greater	-	3	-	3	-	4	-	3
Composite rate ³	11	8	10	7	8	6	16	9
Amount varies by earnings	2	1	3	1	2	1	1	1
Contribution not determinable	5	6	6	7	4	7	5	5

¹ If the amount of contribution varied by either size or composition of family, the rate for an employee with a spouse and one child was used. For a small percentage of employees, the employee contributes the same amount for single and family coverage.

² Less than 0.5 percent.

³ A composite rate is a set contribution covering more than one bene-

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

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

Table 34. Health insurance: Percent of full-time participants by funding medium for selected types of coverage, medium and large firms, 1984

Funding medium	Basic hospital ¹	Basic surgical ¹	Basic medical ¹	Major medical ²	Dental	Basic hospital ¹	Basic surgical ¹	Basic medical ¹	Major medical ²	Dental
	All participants					Technical and clerical				
Total	100	100	100	100	100	100	100	100	100	100
Provided coverage	71	71	50	91	77	67	67	43	93	75
Blue Cross-Blue Shield	25	17	16	13	4	25	15	14	14	4
Commercial carrier	23	27	16	44	43	21	25	13	45	41
Independent health plans	24	27	18	34	29	22	26	15	33	29
Labor/management ³	19	22	13	33	27	16	20	9	33	28
Health Maintenance Organizations ⁴	5	5	5	(⁵)	2	6	6	6	(⁵)	2
Other ⁵	-	(⁵)	(⁵)	-	(⁵)	-	(⁵)	(⁵)	-	(⁵)
Combined	(⁵)	(⁵)	(⁵)	(⁵)	(⁵)	(⁵)	(⁵)	(⁵)	(⁵)	(⁵)
Not provided coverage	29	29	50	9	23	33	33	57	7	25
	Professional and administrative					Production				
Total	100	100	100	100	100	100	100	100	100	100
Provided coverage	68	67	42	93	79	75	75	58	89	76
Blue Cross-Blue Shield	24	13	12	12	4	26	19	19	13	5
Commercial carrier	22	28	15	48	45	24	28	18	41	42
Independent health plans	22	26	14	33	30	26	28	21	34	29
Labor/management ³	16	20	8	32	27	22	25	18	34	27
Health Maintenance Organizations ⁴	6	6	6	(⁵)	2	4	4	4	(⁵)	2
Other ⁵	-	(⁵)	(⁵)	-	(⁵)	-	(⁵)	(⁵)	-	1
Combined	(⁵)	(⁵)	(⁵)	(⁵)	(⁵)	(⁵)	(⁵)	(⁵)	(⁵)	(⁵)
Not provided coverage	32	33	58	7	21	25	25	42	11	24

¹ A plan provision was classified as a basic benefit when it covered the initial expenses incurred for a specific medical service. Under these provisions, a plan paid covered expenses in one of several ways: 1) In full with no limitation; 2) in full for a specified period of time, or until a dollar limit was reached; and 3) a cash scheduled allowance benefit that provided up to a dollar amount for a service performed by a hospital or physician. For a specific category of care, a plan may require the participant to pay a lump sum amount each disability or year (deductible) or a nominal charge each visit or procedure (copayment) before reimbursement begins or services are rendered.

² Major medical benefits cover many categories of expenses, some of which are not covered under basic benefits, and others for which basic coverage limits have been exhausted. These benefits are characterized by deductible and coinsurance provisions that are applied across categories of care.

³ Includes plans that are financed by general revenues of a company 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-Minimum Premium Plan (ASO-MPP) contracts and plans in which a commercial carrier provides protection only against extraordinary claims.

⁴ Includes federally qualified (those meeting standards of the Health Maintenance Organization Act of 1973, as amended) and other HMOs delivering comprehensive health care on a prepayment rather than fee-for-service basis. All HMOs are included here regardless of sponsorship, e.g., Blue Cross-Blue Shield or a commercial insurance carrier.

⁵ Less than 0.5 percent.

⁶ Includes independent prepaid plans providing health benefits less comprehensive than those of an HMO. Dental benefits plans sponsored by local dental societies are also in this category.

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

Table 35. Life insurance: Percent of full-time participants by method of determining amount of basic life insurance and frequency of related coverages, medium and large firms, 1984

Item	All participants	Professional and administrative participants	Technical and clerical participants	Production participants
Total	100	100	100	100
Basic life insurance ¹	100	100	100	100
Based on earnings	64	84	81	45
Multiple	49	72	69	28
Graduated schedule	15	12	11	17
Flat amount	34	13	17	53
Flat amount based on service	3	3	2	2
Other ²	(³)	(³)	(³)	(³)
With extended coverage during total and permanent disability	98	98	98	97
With accidental death and dismemberment coverage	74	70	67	80
With dependent coverage	17	17	19	16

¹ A few participants received only accidental death and dismemberment insurance.

² Includes participants in plans with insurance based on pension accrued at time of the employee's death.

³ Less than 0.5 percent.

NOTE: Because of rounding, sums of individual items may not equal totals.

Table 36. Life insurance: Percent of full-time participants in plans with multiple-of-earnings formulas by amount of basic insurance and maximum coverage provisions, medium and large firms, 1984

Formula	Total	In plans without maximum coverage	In plans with maximum coverage				
			All	Less than \$50,000	\$50,000-\$99,999	\$100,000-\$249,999	\$250,000 or more
All participants							
Total	100	50	50	3	8	20	20
Life insurance is equal to annual earnings times: ¹							
Less than 1.0	3	1	2	(²)	(²)	1	-
1.0	41	24	17	2	3	9	3
1.1-1.4	1	1	(²)	(²)	-	-	-
1.5	10	3	7	(²)	1	4	2
1.6-1.9	(²)	-	(²)	(²)	-	-	-
2.0	37	18	20	(²)	2	5	12
2.5	3	1	2	-	1	(²)	1
2.6-2.9	(²)	-	(²)	-	(²)	-	-
3.0	2	1	2	-	(²)	(²)	1
More than 3.0	1	1	(²)	-	-	(²)	(²)
Multiple varying with earnings	1	1	1	-	(²)	1	(²)
Professional and administrative							
Total	100	50	50	3	8	18	22
Life insurance is equal to annual earnings times: ¹							
Less than 1.0	2	1	1	(²)	(²)	(²)	-
1.0	38	21	17	2	3	8	4
1.1-1.4	1	1	-	-	-	-	-
1.5	10	3	6	(²)	1	3	2
1.6-1.9	(²)	-	(²)	(²)	-	-	-
2.0	41	19	22	(²)	2	6	14
2.5	3	2	1	-	(²)	(²)	1
2.6-2.9	(²)	-	(²)	-	(²)	-	-
3.0	2	1	2	-	(²)	(²)	1
More than 3.0	1	1	(²)	-	-	(²)	(²)
Multiple varying with earnings	2	1	1	-	(²)	(²)	(²)
Technical and clerical							
Total	100	50	50	2	8	19	21
Life insurance is equal to annual earnings times: ¹							
Less than 1.0	2	1	(²)	(²)	(²)	(²)	-
1.0	42	25	17	1	3	9	4
1.1-1.4	1	1	(²)	(²)	-	-	-
1.5	9	2	7	(²)	1	4	2
1.6-1.9	(²)	-	(²)	(²)	-	-	-
2.0	37	16	21	(²)	3	5	14
2.5	3	2	1	-	1	(²)	1
2.6-2.9	(²)	-	(²)	-	(²)	-	-
3.0	3	1	2	-	(²)	(²)	1
More than 3.0	1	1	(²)	-	-	-	(²)
Multiple varying with earnings	1	(²)	1	-	(²)	1	(²)
Production							
Total	100	51	49	3	8	23	15
Life insurance is equal to annual earnings times: ¹							
Less than 1.0	5	1	4	1	(²)	4	-
1.0	44	27	18	2	3	10	2
1.1-1.4	1	1	-	-	-	-	-
1.5	11	2	8	1	2	3	2
2.0	33	19	14	(²)	1	4	8
2.5	3	1	2	-	1	-	1
2.6-2.9	1	-	1	-	1	-	-
3.0	1	(²)	1	-	-	(²)	1
More than 3.0	(²)	(²)	(²)	-	-	-	(²)
Multiple varying with earnings	1	-	1	-	-	1	-

¹ When the multiple-of-earnings formula varied with age, the maximum multiple was tabulated. A few plans varied the multiple-of-earnings formula according to service; in these cases, a participant was assumed to have 15 years of service.

² Less than 0.5 percent.

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

Table 37. Life insurance: Percent of full-time participants in plans with flat dollar insurance by amount of basic insurance, medium and large firms, 1984

Amount of insurance	All participants	Professional and administrative participants	Technical and clerical participants	Production participants
Total	100	100	100	100
Less than \$2,000	4	4	3	4
\$2,000-\$4,999	11	6	10	12
\$5,000-\$9,999	36	33	46	35
\$10,000-\$14,999	30	29	30	30
\$15,000-\$19,999	9	4	4	10
\$20,000-\$24,999	7	20	5	5
\$25,000-\$29,999	3	2	2	4
\$30,000 and over	1	2	(¹)	1

¹ Less than 0.5 percent

NOTE: Because of rounding, sums of individual items may not equal totals.

Table 38. Life insurance: Percent of full-time participants in basic life insurance plans by effect of retirement on coverage, medium and large firms, 1984

Effect of retirement	All participants	Professional and administrative participants	Technical and clerical participants	Production participants
Total	100	100	100	100
Insurance continues ¹	64	66	67	61
Continues for life	62	64	65	59
Continues in full	2	2	2	2
Reduced once	36	36	37	36
Reduced more than once during retirement	23	26	25	21
Continues in form of paid-up insurance ²	(³)	(³)	(³)	(³)
Ceases during retirement	2	2	2	2
Insurance discontinued immediately	36	34	33	39

¹ Includes plans in which coverage is fully retiree paid.

² Plan accumulates permanent amounts of insurance through the contributions of active employees.

³ Less than 0.5 percent.

NOTE: Because of rounding, sums of individual items may not equal totals.

Table 39. Private pension plans:¹ Percent of full-time participants by method of determining retirement payments, medium and large firms, 1984

Basis of payment ²	All participants	Professional and administrative participants	Technical and clerical participants	Production participants
Total	100	100	100	100
Terminal earnings formula	54	70	71	36
No alternative formula	24	31	39	12
Terminal earnings alternative	8	12	10	5
Career earnings alternative	3	4	4	2
Dollar amount alternative ³	19	23	17	17
Percent of contributions alternative	(⁴)	1	(⁴)	(⁴)
Career earnings formula	14	22	15	10
No alternative formula	8	12	9	5
Career earnings alternative	1	1	1	1
Dollar amount alternative ³	6	8	6	4
Dollar amount formula ³	28	4	10	50
No alternative formula	27	4	10	48
Dollar amount alternative ³	1	-	(⁴)	2
Percent of contributions alternative	(⁴)	(⁴)	(⁴)	(⁴)
Percent of contributions formula	2	1	(⁴)	3
No alternative formula	1	(⁴)	(⁴)	3
Percent of contributions alternative	(⁴)	(⁴)	(⁴)	(⁴)
Money purchase	2	4	3	1

¹ Excludes supplemental pension plans.

² Alternative formulas are generally designed to provide a minimum benefit for employees with short service or low earnings.

³ Includes formulas based on dollar amounts for each year of service and schedules of benefits that vary by length of service.

⁴ Less than 0.5 percent.

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

Table 40. Private pension plans:¹ Percent of full-time participants in plans with percent of terminal earnings benefit formulas by type and amount of formula, medium and large firms, 1984

Type and amount of formula ²	Total	Provision for maximum benefit ³		Provision for integration with Social Security benefit		Type and amount of formula ²	Total	Provision for maximum benefit ³		Provision for integration with Social Security benefit	
		Subject to maximum	Not subject to maximum	With integrated formula	Without integrated formula			Subject to maximum	Not subject to maximum	With integrated formula	Without integrated formula
All participants						Technical and clerical					
Total	100	100	100	100	100	Total	100	100	100	100	100
Flat percent per year of service	49	51	46	48	52	Flat percent per year of service	52	61	40	48	82
Less than 1.00	1	(⁴)	2	-	4	Less than 1.00	(⁴)	(⁴)	1	-	3
1.00-1.24	4	1	7	1	16	1.00-1.24	2	1	3	(⁴)	14
1.25-1.49	6	2	12	5	11	1.25-1.49	9	2	17	7	23
1.50-1.74	20	20	20	22	12	1.50-1.74	19	22	16	19	21
1.75-1.99	5	5	4	6	-	1.75-1.99	5	7	3	5	-
2.00-2.24	12	19	1	13	8	2.00-2.24	14	25	1	13	21
2.25 or greater	2	4	-	3	-	2.25 or greater	3	5	-	3	-
Percent per year varies	51	49	54	52	48	Percent per year varies	48	39	60	52	18
By service	22	24	19	16	48	By service	19	15	24	20	16
By earnings	24	22	26	29	-	By earnings	22	21	24	25	-
By age	2	1	4	2	1	By age	4	1	7	4	1
By earnings and service	4	2	5	5	-	By earnings and service	3	2	5	4	-
Professional and administrative						Production					
Total	100	100	100	100	100	Total	100	100	100	100	100
Flat percent per year of service	52	53	49	49	69	Flat percent per year of service	43	40	48	48	33
Less than 1.00	1	(⁴)	1	-	5	Less than 1.00	1	-	4	-	4
1.00-1.24	4	1	7	1	23	1.00-1.24	5	1	11	1	14
1.25-1.49	5	2	9	4	12	1.25-1.49	4	1	9	3	6
1.50-1.74	23	23	24	24	19	1.50-1.74	17	16	21	23	6
1.75-1.99	6	5	6	7	-	1.75-1.99	3	4	3	5	-
2.00-2.24	10	16	2	10	9	2.00-2.24	11	17	(⁴)	15	3
2.25 or greater	3	5	-	3	-	2.25 or greater	1	2	-	2	-
Percent per year varies	48	47	51	51	31	Percent per year varies	57	60	52	52	67
By service	19	19	19	17	30	By service	28	37	13	9	67
By earnings	25	26	25	30	-	By earnings	23	19	30	35	-
By age	1	1	2	1	1	By age	1	-	2	1	-
By earnings and service	3	2	5	3	-	By earnings and service	5	4	7	7	-

¹ Excludes supplemental pension plans.

² If a plan contained more than one terminal earnings formula, a primary formula was selected and tabulated.

³ These maximum provisions are independent of ERISA-imposed ceilings on pensions payable from defined benefit plans.

⁴ Less than 0.5 percent.

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

Table 41. Private pension plans:¹ Percent of full-time participants in plans with terminal earnings formulas by definition of terminal earnings, medium and large firms, 1984

Definition of terminal earnings	All participants	Professional and administrative participants	Technical and clerical participants	Production participants
Total	100	100	100	100
Three years	11	11	11	11
Last 3	1	1	2	(²)
High 3	1	2	1	(²)
Of last 5	1	1	1	(²)
Of last 10	(²)	(²)	(²)	-
Of career	(²)	(²)	(²)	(²)
High consecutive 3	9	9	8	10
Of last 5	(²)	(²)	(²)	(²)
Of last 10	7	7	7	7
Of career	2	1	1	3
Five years	86	87	87	85
Last 5	2	3	2	2
High 5	9	9	8	11
Of last 10	6	7	4	7
Of last 15	(²)	(²)	(²)	(²)
Of career	3	2	3	3
Other	(²)	(²)	(²)	(²)
High consecutive 5	75	75	76	72
Of last 10	58	59	57	57
Of last 15	2	3	3	1
Of career	14	13	16	14
Other	(²)	(²)	(²)	1
Other period	3	2	2	5

¹ Excludes supplemental pension plans.

² Less than 0.5 percent.

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

Table 42. Private pension plans:¹ Percent of full-time participants in plans with percent of career earnings benefit formulas by type and amount of formula, medium and large firms, 1984

Type and amount of formula ²	Total	Provision for maximum benefit ³		Provision for integration with Social Security benefit		Type and amount of formula ²	Total	Provision for maximum benefit ³		Provision for integration with Social Security benefit	
		Subject to maximum	Not subject to maximum	With integrated formula	Without integrated formula			Subject to maximum	Not subject to maximum	With integrated formula	Without integrated formula
All participants						Professional and administrative					
Total	100	100	100	100	100	Total	100	100	100	100	100
Flat percent per year of service	36	49	35	9	97	Flat percent per year of service	45	41	45	7	98
Less than 1.00	2	8	1	-	6	Less than 1.00	2	2	2	-	4
1.00-1.24	3	9	3	-	11	1.00-1.24	1	5	1	-	4
1.25-1.49	6	28	5	5	10	1.25-1.49	4	33	3	4	6
1.50-1.74	21	-	23	1	68	1.50-1.74	35	-	37	(*)	85
1.75-1.99	3	2	3	4	1	1.75-1.99	2	-	2	3	-
2.00-2.24	1	-	1	-	2	2.00-2.24	(*)	-	(*)	-	1
Percent per year varies	64	51	65	91	3	Percent per year varies	55	59	55	93	2
By service	2	11	2	2	3	By service	2	8	2	2	2
By earnings	62	40	64	89	-	By earnings	53	51	53	91	-

¹ Excludes supplemental pension plans.

² If a plan contained more than one career earnings formula, a primary formula was selected and tabulated. Table includes plans with career earnings formulas that serve as an alternative to a terminal earnings formula.

³ These maximum provisions are independent of ERISA-imposed ceilings on pensions payable from defined benefit plans.

ings on pensions payable from defined benefit plans.

⁴ Less than 0.5 percent.

NOTE: Data were insufficient to show technical-clerical and production workers separately. Because of rounding, sums of individual items may not equal totals. Dash indicates no employees in this category.

Table 43. Private pension plans:¹ Percent of full-time participants in plans with dollar amount benefit formulas² by type and amount of formula, medium and large firms, 1984

Type and amount of formula	Total	Provision for maximum benefit ³		Type and amount of formula	Total	Provision for maximum benefit ³	
		Subject to maximum	Not subject to maximum			Subject to maximum	Not subject to maximum
All participants				Production			
Total	100	100	100	Total	100	100	100
Flat monthly amount per year of service	75	81	73	Flat monthly amount per year of service	77	82	75
Less than \$5.00	(⁴)	-	1	Less than \$5.00	(⁴)	-	1
\$5.00-\$9.99	19	25	18	\$5.00-\$9.99	21	24	20
\$10.00-\$14.99	18	32	14	\$10.00-\$14.99	20	32	16
\$15.00-\$19.99	30	8	36	\$15.00-\$19.99	28	9	34
\$20.00-\$24.99	4	7	3	\$20.00-\$24.99	4	6	3
\$25.00-\$29.99	2	5	1	\$25.00-\$29.99	2	5	1
\$30.00 or greater	2	6	1	\$30.00 or greater	2	6	1
Amount per year varies by service ...	5	5	5	Amount per year varies by service ...	5	4	6
Amount per year varies by earnings	20	14	22	Amount per year varies by earnings	18	14	19

¹ Excludes supplemental pension plans.

² Excludes plans with dollar amount formulas that serve as a minimum benefit alternative to a percent of earnings formula.

³ These maximum provisions are independent of ERISA-imposed ceilings on pensions payable from defined benefit plans.

⁴ Less than 0.5 percent.

NOTE: Data were insufficient to show professional-administrative and technical-clerical workers separately. Because of rounding, sums of individual items may not equal totals. Dash indicates no employees in this category.

Table 44. Private pension plans:¹ Percent of full-time participants by provision for integration of pension with Social Security benefit, medium and large firms, 1984

Provision	Total ²	Type of benefit formula ³			Provision	Total ²	Type of benefit formula ³		
		Terminal earnings	Career earnings	Dollar amount			Terminal earnings	Career earnings	Dollar amount
All participants					Technical and clerical				
Total	100	100	100	100	Total	100	100	100	100
With integrated formula	56	84	83	1	With integrated formula	77	91	84	2
Offset by Social Security payment ⁴	36	62	20	1	Offset by Social Security payment ⁴	53	70	32	2
Based on service ⁵	29	51	12	1	Based on service ⁵	44	60	14	2
Not based on service ⁶	7	11	8	-	Not based on service ⁶	10	10	18	-
Dollar amount	(⁷)	(⁷)	-	-	Dollar amount	(⁷)	(⁷)	-	-
Percent of payment	7	11	8	-	Percent of payment	10	10	18	-
Pure excess ⁸	1	2	-	-	Pure excess ⁸	1	2	-	-
Step-rate excess ⁹	19	19	63	-	Step-rate excess ⁹	22	19	53	-
Integrated with a Social Security breakpoint	10	13	20	-	Integrated with a Social Security breakpoint	14	13	27	-
Integrated with a specific dollar breakpoint	9	7	43	-	Integrated with a specific dollar breakpoint	8	6	26	-
Without integrated formula	44	16	17	99	Without integrated formula	23	9	16	98
Professional and administrative					Production				
Total	100	100	100	100	Total	100	100	100	100
With integrated formula	77	89	72	9	With integrated formula	34	70	94	(⁷)
Offset by Social Security payment ⁴	50	67	17	9	Offset by Social Security payment ⁴	19	49	14	(⁷)
Based on service ⁵	40	56	9	9	Based on service ⁵	15	37	14	(⁷)
Not based on service ⁶	9	11	8	-	Not based on service ⁶	4	13	(⁷)	-
Dollar amount	(⁷)	(⁷)	-	-	Dollar amount	(⁷)	1	-	-
Percent of payment	9	11	8	-	Percent of payment	4	12	(⁷)	-
Pure excess ⁸	2	3	-	-	Pure excess ⁸	1	2	-	-
Step-rate excess ⁹	26	20	54	-	Step-rate excess ⁹	14	19	80	-
Integrated with a Social Security breakpoint	15	13	21	-	Integrated with a Social Security breakpoint	6	12	14	-
Integrated with a specific dollar breakpoint	11	7	33	-	Integrated with a specific dollar breakpoint	9	6	66	-
Without integrated formula	23	11	28	91	Without integrated formula	66	30	6	100

¹ Excludes supplemental pension plans.

² Includes money purchase plans and plans with benefit formulas based on a percent of employee or employer contributions.

³ If a plan contained more than one benefit formula based on terminal earnings, career earnings, or dollar amounts, the integrated formula was tabulated. If neither of the formulas were integrated, a primary formula was selected and tabulated.

⁴ Benefit as calculated by formula is reduced by portion of primary Social Security payment.

⁵ Offset is equal to the product of a percent of primary Social Security payments and the participant's years of service with the employer.

A maximum offset is frequently applied, for example, 50 percent.

⁶ Benefit formula includes a reduction by a specified percent of primary Social Security payments or a specific dollar amount.

Although generally offsets of up to 83.33 percent are permitted by the Internal Revenue Service for plan qualification, offsets in excess of 50 percent are uncommon.

⁷ Less than 0.5 percent.

⁸ Formula does not apply to earnings subject to FICA (Social Security) taxes or below a specific dollar breakpoint.

⁹ Formula applies lower benefit rate to earnings subject to FICA (Social Security) taxes or below a specific dollar breakpoint.

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

Table 45. Private pension plans:¹ Percent of full-time participants by maximum benefit provisions,² medium and large firms, 1984

Maximum benefit provision	Total ³	Type of benefit formula ⁴			Maximum benefit provision	Total ³	Type of benefit formula ⁴		
		Terminal earnings	Career earnings	Dollar amount			Terminal earnings	Career earnings	Dollar amount
All participants					Technical and clerical				
Total	100	100	100	100	Total	100	100	100	100
Subject to maximum ⁵	42	63	15	24	Subject to maximum ⁵	45	59	13	19
Limit on years of credited service	34	51	10	18	Limit on years of credited service	41	54	9	15
Less than 20	2	3	-	1	Less than 20	2	3	-	1
20	1	1	-	1	20	2	2	-	(⁶)
21-24	(⁶)	-	-	(⁶)	21-24	(⁶)	-	-	(⁶)
25	4	6	(⁶)	2	25	5	7	-	-
26-29	(⁶)	(⁶)	-	-	26-29	(⁶)	(⁶)	-	-
30	12	18	4	7	30	14	18	4	6
31-34	1	1	-	1	31-34	1	1	-	(⁶)
35	8	14	3	3	35	10	13	2	3
36-39	1	1	-	1	36-39	1	1	-	-
40	4	6	2	2	40	6	7	3	4
More than 40	(⁶)	(⁶)	-	(⁶)	More than 40	(⁶)	(⁶)	-	-
Other maximum ⁷	11	16	6	8	Other maximum ⁷	8	10	6	4
Not subject to maximum	58	37	85	76	Not subject to maximum	55	41	87	81
Professional and administrative					Production				
Total	100	100	100	100	Total	100	100	100	100
Subject to maximum ⁵	46	62	13	27	Subject to maximum ⁵	38	69	18	24
Limit on years of credited service	40	54	10	20	Limit on years of credited service	26	46	12	18
Less than 20	2	2	-	4	Less than 20	2	5	-	1
20	1	1	-	-	20	1	1	-	2
25	4	6	1	-	25	3	4	-	2
26-29	1	1	-	-	26-29	(⁶)	(⁶)	-	-
30	13	17	2	10	30	11	20	7	7
31-34	1	1	-	-	31-34	1	2	-	1
35	11	16	3	3	35	6	12	4	3
36-39	1	1	-	-	36-39	1	1	-	1
40	7	9	3	4	40	1	2	(⁶)	2
More than 40	(⁶)	(⁶)	-	-	More than 40	(⁶)	(⁶)	-	1
Other maximum ⁷	10	13	4	7	Other maximum ⁷	14	26	8	8
Not subject to maximum	54	38	87	73	Not subject to maximum	62	31	82	76

¹ Excludes supplemental pension plans.

² These maximum provisions are independent of ceilings on pensions payable from defined benefit plans imposed by the Employee Retirement Income Security Act.

³ Includes money purchase plans and plans with benefit formulas based on a percent of employee or employer contributions.

⁴ If a plan contained more than one benefit formula based on terminal earnings, career earnings, or dollar amounts, the formula containing a maximum benefit provision was tabulated. If neither of the formulas was affected by a maximum benefit provision, a primary formula was

selected and tabulated.

⁵ The total is less than the sum of individual items because some plans contain a limit on years of credited service and another maximum provision.

⁶ Less than 0.5 percent.

⁷ The benefit yielded under the formula is limited to either a percent of terminal or career earnings, often coordinated with primary Social Security payments, or to a flat dollar amount.

NOTE: Dash indicates no employees in this category.

Table 46. Private pension plans:¹ Average replacement rates for specified final earnings and years of service,² medium and large firms, 1984

Final annual earnings	Years of service						
	10	15	20	25	30	35	40
Private pension only							
All participants							
\$15,000	11.0	16.1	21.0	26.0	30.8	35.0	38.9
\$20,000	9.9	14.4	18.8	23.2	27.4	31.0	34.3
\$25,000	9.7	14.2	18.4	22.7	26.6	30.0	33.0
\$30,000	9.7	14.2	18.5	22.6	26.5	29.7	32.6
\$35,000	9.7	14.3	18.6	22.7	26.5	29.6	32.3
\$40,000	9.8	14.4	18.7	22.8	26.6	29.6	32.3
Professional and administrative							
\$15,000	10.6	15.5	20.3	25.0	29.4	33.3	36.6
\$20,000	10.2	14.8	19.3	23.6	27.7	31.2	34.3
\$25,000	10.5	15.2	19.7	24.0	28.1	31.5	34.5
\$30,000	10.8	15.7	20.4	24.8	28.9	32.3	35.1
\$35,000	11.0	16.2	21.0	25.6	29.7	33.0	35.8
\$40,000	11.3	16.6	21.6	26.3	30.4	33.8	36.5
Technical and clerical							
\$15,000	10.5	15.4	20.1	24.6	29.0	32.8	36.1
\$20,000	10.1	14.8	19.4	23.8	27.9	31.4	34.4
\$25,000	10.5	15.3	20.0	24.5	28.6	32.1	35.0
\$30,000	10.8	15.9	20.8	25.4	29.5	32.9	35.8
\$35,000	11.1	16.5	21.4	26.1	30.3	33.7	36.5
\$40,000	11.4	16.9	22.0	26.8	31.0	34.4	37.2
Production							
\$15,000	11.4	16.7	22.0	27.3	32.5	37.1	41.5
\$20,000	9.6	14.0	18.3	22.6	26.9	30.7	34.2
\$25,000	8.9	13.0	16.9	21.0	24.8	28.1	31.2
\$30,000	8.5	12.4	16.2	20.0	23.6	26.6	29.4
\$35,000	8.2	12.1	15.8	19.3	22.8	25.6	28.2
\$40,000	8.1	11.8	15.4	18.9	22.2	24.9	27.4
Combined private pension and primary³ Social Security benefit							
All participants							
\$15,000	53.9	59.0	64.0	69.0	73.8	78.0	81.8
\$20,000	49.0	53.5	58.0	62.3	66.5	70.1	73.4
\$25,000	42.4	46.8	51.1	55.3	59.3	62.7	65.7
\$30,000	37.5	42.0	46.3	52.6	54.3	57.5	60.4
\$35,000	33.8	38.4	42.7	46.8	50.6	53.7	56.4
\$40,000	30.9	35.5	39.8	43.9	47.7	50.7	53.3
Professional and administrative							
\$15,000	53.6	58.5	63.3	67.9	72.3	76.2	79.6
\$20,000	49.3	53.9	58.4	62.7	66.8	70.3	73.4
\$25,000	43.2	47.9	52.4	56.7	60.8	64.2	67.2
\$30,000	38.6	43.5	48.2	52.6	56.7	60.1	62.9
\$35,000	35.2	40.3	45.1	49.7	53.8	57.1	59.9
\$40,000	32.4	37.7	42.7	47.3	51.5	54.9	57.6
Technical and clerical							
\$15,000	53.4	58.3	63.0	67.6	72.0	75.8	79.0
\$20,000	49.3	54.0	58.5	63.0	67.0	70.5	73.5
\$25,000	43.2	48.0	52.7	57.2	61.3	64.8	67.7
\$30,000	38.6	43.7	48.6	53.2	57.3	60.7	63.6
\$35,000	35.2	40.6	45.5	50.2	54.4	57.8	60.6
\$40,000	32.5	38.0	43.1	47.8	52.1	55.5	58.3

See footnotes at end of table.

Table 46. Private pension plans:¹ Average replacement rates for specified final earnings and years of service,² medium and large firms, 1984—Continued

Final annual earnings	Years of service						
	10	15	20	25	30	35	40
Combined private pension and primary³ Social Security benefit							
Production							
\$15,000	54.3	59.7	65.0	70.2	75.4	80.1	84.5
\$20,000	48.7	53.1	57.4	61.7	66.1	69.8	73.3
\$25,000	41.6	45.6	49.6	53.6	57.5	60.8	63.8
\$30,000	36.3	40.2	44.0	47.8	51.4	54.4	57.2
\$35,000	32.3	36.2	39.9	43.4	46.9	49.7	52.3
\$40,000	29.2	32.9	36.5	40.0	43.3	46.0	48.4

¹ Excludes supplemental pension plans.

² Retirement annuity as a percent of earnings in the final year of work. The maximum private pension available to an employee, not reduced for early retirement or joint-and-survivor annuity, was calculated under each pension plan using the earnings and service assumptions shown. This benefit level was then expressed as a percent of earnings in the last year of employment.

These calculations assume employees retired on January 1, 1984, and final earnings are for 1983. Earnings histories, necessary for

applying the pension formulas, were constructed for each final earnings level based on data provided by the Social Security Administration.

For private pension formulas that are integrated with Social Security (see table 44) and for computation of Social Security benefits, the worker is assumed to have retired at age 65 and paid into Social Security for 40 years. Computations exclude 4 percent of participants in money purchase plans or plans with benefits based on career contributions.

³ Excludes benefits for spouses and other dependents.

Table 47. Private pension plans:¹ Percent of full-time participants by minimum age and associated service requirements for normal retirement,² medium and large firms, 1984

Age and service requirements ³	All participants	Professional and administrative participants	Technical and clerical participants	Production participants	Age and service requirements ³	All participants	Professional and administrative participants	Technical and clerical participants	Production participants
Total	100	100	100	100	Age 61	(⁴)	(⁴)	(⁴)	(⁴)
No age requirement	17	9	9	25	No service requirement	(⁴)	(⁴)	(⁴)	(⁴)
Less than 30 years' service	1	1	1	(⁴)	20 years' service	(⁴)	(⁴)	(⁴)	(⁴)
30 years' service	16	7	8	24	Age 62	17	18	18	16
More than 30 years' service	(⁴)	1	(⁴)	1	No service requirement	4	5	6	4
Less than age 55	(⁴)	-	-	(⁴)	1-4 years' service	(⁴)	(⁴)	(⁴)	(⁴)
30 years' service	(⁴)	-	-	(⁴)	5 years' service	1	1	1	(⁴)
Age 55	5	8	4	4	6-9 years' service	(⁴)	(⁴)	-	-
5 or 10 years' service	1	2	1	(⁴)	10 years' service	7	7	5	8
20 years' service	2	5	2	(⁴)	11-14 years' service	(⁴)	(⁴)	(⁴)	(⁴)
30 years' service	2	1	1	3	15 years' service	1	1	1	1
More than 30 years' service	(⁴)	(⁴)	(⁴)	(⁴)	20 years' service	1	(⁴)	1	1
Age 56-59	1	1	1	2	25 years' service	1	1	1	1
15 or 20 years' service	1	-	(⁴)	1	30 years' service	1	2	2	1
More than 30 years' service	1	1	(⁴)	1	More than 30 years' service	(⁴)	(⁴)	(⁴)	1
Age 60	13	18	15	9	Age 63-64	1	1	3	1
No service requirement	3	4	3	3	No service requirement	(⁴)	(⁴)	(⁴)	(⁴)
1-4 years' service	(⁴)	(⁴)	(⁴)	(⁴)	10 years' service	1	1	3	(⁴)
5 years' service	2	3	2	(⁴)	Age 65	37	32	39	38
10 years' service	2	3	3	2	No service requirement	33	30	36	33
11-14 years' service	(⁴)	(⁴)	(⁴)	(⁴)	1-4 years' service	(⁴)	-	-	(⁴)
15 years' service	1	2	1	(⁴)	5 years' service	1	1	1	1
20 years' service	1	(⁴)	(⁴)	1	10 years' service	3	2	2	4
25 years' service	(⁴)	(⁴)	(⁴)	(⁴)	Sum of age plus service	9	14	11	6
30 years' service	3	5	4	3	Equals less than 80	2	2	2	1
More than 30 years' service	1	1	1	(⁴)	Equals 80	1	1	1	(⁴)
					Equals 85	4	7	4	3
					Equals 86-89	(⁴)	(⁴)	1	-
					Equals 90 or more	2	3	4	1

¹ Excludes supplemental pension plans.

² 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.

³ 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.

⁴ Less than 0.5 percent.

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

Table 48. Private pension plans:¹ Percent of full-time participants by minimum age and associated service requirements for early retirement,² medium and large firms, 1984

Age and service requirements ³	All participants	Professional and administrative participants	Technical and clerical participants	Production participants	Age and service requirements ³	All participants	Professional and administrative participants	Technical and clerical participants	Production participants
Total	100	100	100	100	Age 55—Continued				
Participants in plans permitting early retirement	97	96	97	97	20 years' service	3	3	4	3
No age requirement	5	10	6	3	25 years' service	(⁴)	(⁴)	(⁴)	(⁴)
Less than 30 years' service	1	1	1	(⁴)	Age 56-59	2	2	1	2
30 years' service	5	9	5	2	10-20 years' service	1	1	(⁴)	1
Less than age 55	7	4	9	8	30 years' service	1	1	1	1
No service requirement	(⁴)	(⁴)	(⁴)	(⁴)	Age 60	10	5	4	17
5 years' service	1	1	1	(⁴)	No service requirement	1	1	1	(⁴)
10 years' service	1	1	1	1	5 years' service	(⁴)	-	-	(⁴)
15 years' service	1	1	1	1	10 years' service	5	1	1	8
20 years' service	(⁴)	(⁴)	(⁴)	(⁴)	15 years' service	5	3	1	8
25 years' service	3	(⁴)	4	5	20 years' service	(⁴)	-	-	(⁴)
More than 30 years' service	(⁴)	-	-	(⁴)	30 years' service	(⁴)	(⁴)	-	-
Age 55	62	66	68	57	Age 62	(⁴)	(⁴)	(⁴)	(⁴)
No service requirement	9	9	8	9	10 years' service	(⁴)	(⁴)	(⁴)	(⁴)
1-4 years' service	(⁴)	(⁴)	(⁴)	(⁴)	Sum of age plus service	10	9	9	10
5 years' service	4	5	5	2	Equals 70 or less	1	2	2	1
6-9 years' service	(⁴)	(⁴)	-	-	Equals 75	1	1	3	(⁴)
10 years' service	39	41	43	36	Equals 76-79	1	1	2	1
11-14 years' service	(⁴)	1	(⁴)	(⁴)	Equals 80	1	1	1	(⁴)
15 years' service	7	7	8	7	Equals 85	5	3	2	8
					Participants in plans without early retirement	3	4	3	3

¹ Excludes supplemental pension plans.

² 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.

³ 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.

⁴ Less than 0.5 percent.

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

Table 49. Private pension plans:¹ Percent of full-time participants in plans permitting early retirement by reduction factor for immediate start of payments, medium and large firms, 1984

Reduction for each year prior to normal retirement age	All participants	Professional and administrative participants	Technical and clerical participants	Production participants
Total	100	100	100	100
Uniform percentage ²	41	40	43	41
Less than 3.0	1	3	1	1
3.0	7	7	8	7
3.1-3.9	3	3	2	2
4.0	5	7	7	3
4.1-4.9	2	2	1	3
5.0	6	7	9	4
5.1-5.9	(³)	(³)	(³)	(³)
6.0	15	9	13	18
6.7	1	(³)	1	1
6.8-7.1	(³)	(³)	(³)	(³)
7.2	1	1	1	2
7.3 or more	(³)	(³)	(³)	(³)
Percentage varies by age	56	53	53	59
Reduction differs for each year of early retirement ⁴	20	15	18	23
Reduction differs by age bracket ⁵	36	38	35	36
Percentage varies by service	3	6	3	(³)
Other basis	(³)	(³)	(³)	-

¹ Excludes supplemental pension plans.

² In specific cases, uniform percentage reductions may approximate actuarial reductions, such as early retirement at age 55 with a 6 percent a year reduction between age 55 and the plan's normal retirement age of 62.

³ Less than 0.5 percent.

⁴ Reduction schedule is related to actuarial assumptions of the life expectancy at age that pension payments begin.

⁵ 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 6.7 percent for each year between age 60 and the plan's normal retirement age, and by 3.3 percent for each year retirement precedes age 60. Also includes some plans which reduce benefits arithmetically for each year immediately below normal retirement age and actuarially below a specified age, usually 55.

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

Table 50. Private pension plans:¹ Percent of full-time participants by provisions for disability retirement, medium and large firms, 1984

Characteristic	All participants	Professional and administrative participants	Technical and clerical participants	Production participants
Total with disability retirement benefits	90	90	86	92
Minimum requirements for disability retirement				
Total	100	100	100	100
No age or service	17	20	21	13
Age only	(²)	(²)	(²)	(²)
Service only	52	39	36	67
Age and service	9	8	10	9
Meets qualification for long-term disability benefits	22	34	32	11
Benefit provisions				
Total	100	100	100	100
Immediate disability retirement ³	62	48	44	79
Unreduced normal formula ⁴	48	34	32	63
Reduced normal formula ⁵	7	8	6	7
Other than normal formula ⁶	8	6	7	10
Deferred disability retirement	38	52	56	21
With benefits based on:				
Service when disabled	5	6	8	4
Service plus credit to early retirement date or later	31	45	47	16
Service with some credit	1	1	1	(²)
Not based on service	(²)	(²)	(²)	(²)

¹ Excludes supplemental pension plans.

² Less than 0.5 percent.

³ Immediate disability pensions may be supplemented by additional allowances until an employee reaches a specified age or becomes eligible for Social Security.

⁴ 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, based on years of service actually completed.

⁵ The disabled worker's pension is computed under the plan's normal benefit formula, based on years of service actually completed, and then reduced for early receipt.

⁶ 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 formulas both with and without Social Security offsets.

NOTE: Because of rounding, sums of individual items may not equal totals.

Table 51. Private pension plans:¹ Percent of full-time participants by provision for credit for service after age 65, medium and large firms, 1984

Type of credit	All participants	Professional and administrative participants	Technical and clerical participants	Production participants
Total	100	100	100	100
No credit for service	56	59	65	51
Pension deferred with no change in amount	49	51	55	44
Pension deferred, but increased actuarially	5	4	6	4
Pension deferred, but increased by percent per additional year of service ²	2	3	3	2
Pension begins at age 65	1	1	1	1
Credit for service, no actuarial increase ³	43	40	34	49
All service credited	25	24	22	27
Service credited to specified maximum age	17	15	12	21
Service credited to specified maximum years of service	(⁴)	(⁴)	(⁴)	(⁴)
Credit for service, with actuarial increase ⁵	1	1	1	1
All service credited	1	1	1	1
Service credited to specified maximum age	(⁴)	(⁴)	(⁴)	(⁴)
Service credited to specified maximum years of service	(⁴)	-	-	(⁴)

¹ Excludes supplemental pension plans.

² The pension amount computed at age 65 is increased by a specified percent (not part of the benefit formula) for each year the employee remains active.

³ Additional service is included in the benefit formula, but the pension is not increased for later retirement date.

⁴ Less than 0.5 percent.

⁵ Additional service is included in the benefit formula and the pension is increased for later retirement date.

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

Table 52. Private pension plans:¹ Percent of full-time participants in plans granting ad hoc postretirement annuity increases,² medium and large firms, 1984

Characteristics	All participants	Professional and administrative participants	Technical and clerical participants	Production participants
Total with at least one postretirement increase in the 1979-83 period	47	47	44	48
Number of increases granted in past 5 years				
Total	100	100	100	100
One	47	54	60	37
Two	18	18	15	19
Three	16	17	19	15
Four	7	4	3	11
Five or more	12	7	4	18
Provision for minimum increase in most recent adjustment				
Total	100	100	100	100
No minimum	78	75	69	85
With minimum	20	24	28	14
Monthly dollar amount	18	20	26	13
Less than \$5.00	(³)	(³)	(³)	-
\$5.00	3	5	5	1
\$10.00	5	5	10	3
\$11.00-\$14.00	2	1	1	4
\$15.00	4	5	6	4
\$20.00	1	1	1	(³)
\$25.00	1	1	1	1
More than \$25.00	1	1	(³)	(³)
Varies by date of retirement	(³)	(³)	(³)	(³)
Percent of present benefit	1	2	2	1
Greater of a monthly dollar amount or a percent of present benefit	1	1	1	1
Not determinable	2	2	3	1
Provision for maximum increase in most recent adjustment				
Total	100	100	100	100
No maximum	57	53	47	63
With maximum	42	45	50	36
Monthly dollar amount	12	15	17	8
\$100.00 or less	3	4	5	1
\$101.00-\$150.00	3	2	1	4
\$151.00-\$200.00	2	1	5	1
More than \$200.00	4	8	6	2
Percent of present benefit	29	29	33	27
Less than 10	15	13	18	14
10-14	11	12	10	10
15-19	1	(³)	(³)	1
20-29	1	1	1	(³)
30 or more	2	2	3	2
Greater of a monthly dollar amount or a percent of present benefit	1	1	(³)	1
Not determinable	2	2	3	1

See footnotes at end of table.

Table 52. Private pension plans:¹ Percent of full-time participants in plans granting ad hoc postretirement annuity increases,² medium and large firms, 1984—Continued

Characteristics	All participants	Professional and administrative participants	Technical and clerical participants	Production participants
Benefit formula for most recent increase				
Total	100	100	100	100
Flat increase	29	29	29	29
Monthly dollar amount	5	2	2	8
Less than \$10.00	2	(³)	(³)	3
\$10.00	1	-	-	2
\$10.01-\$20.00	1	(³)	(³)	1
More than \$20.00	1	1	1	1
Varies by date of retirement	(³)	(³)	(³)	1
Percent of present benefit	24	28	28	21
Less than 5.0	3	3	6	2
5.0	1	(³)	(³)	1
5.1-7.4	2	3	2	2
7.5-9.9	1	(³)	1	1
10.0	1	1	1	(³)
10.1-14.9	1	2	2	1
15.0	1	1	1	(³)
More than 15.0	1	1	(³)	1
Varies by date of retirement	14	16	14	12
Type of flat increase not determinable	(³)	-	-	(³)
Increase per year of retirement	43	50	55	34
Monthly dollar amount	1	2	1	1
Percent of present benefit	42	47	53	34
Less than 2.0	3	5	3	3
2.0	6	5	7	6
2.5-2.9	1	1	1	(³)
3.0	7	11	8	4
3.1-3.9	(³)	1	1	-
4.0	2	2	3	2
4.1-4.9	3	3	3	2
5.0	11	11	14	10
5.1-5.9	3	3	2	4
6.0	2	3	3	(³)
More than 6.0	(³)	-	-	(³)
Varies by date of retirement	5	4	9	3
Type of increase per year of retirement not determinable	1	1	1	(³)
Increase per year of service	24	16	11	34
Monthly dollar amount	23	15	11	34
Less than \$.50	7	3	2	11
\$.50	1	1	(³)	2
\$.51-.99	(³)	(³)	-	(³)
\$1.00	8	5	2	12
\$1.01-\$1.99	(³)	-	1	1
\$2.00	1	(³)	(³)	1
More than \$2.00	2	3	3	1
Varies by date of retirement	5	3	2	7
Percent of present benefit	(³)	1	(³)	(³)
Combination of two or more benefit formulas	2	3	3	2
Type of formula not determinable	1	2	2	1

¹ Excludes supplemental pension plans.

² Unscheduled increases in pension payments for employees retiring prior to 1984.

³ Less than 0.5 percent.

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

Table 53. Private pension plans:¹ Percent of full-time participants by vesting provisions, medium and large firms, 1984

Provision	All participants	Professional and administrative participants	Technical and clerical participants	Production participants
Total ²	100	100	100	100
Cliff vesting, ³ with full vesting after:				
10 years of service at any age ...	66	63	59	72
10 years of service after age 22	19	20	24	16
Other ⁴	4	5	5	2
Graduated vesting, ⁵ with full vesting after:				
15 years of service ⁶	4	4	5	2
Other ⁴	10	10	12	8

¹ Excludes supplemental pension plans.

² Because plans may adopt alternative vesting schedules, sums of participants covered by individual vesting schedules may exceed 100 percent.

³ 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. The Employee Retirement Income Security Act (ERISA) specifies 10 years as the maximum requirement for this form of vesting.

⁴ Includes both participants in plans containing vesting schedules more liberal than ERISA standards and, for graduated vesting, in plans adopting other ERISA standards.

⁵ Graduated vesting schedules give an employee rights to a gradually increasing share of accrued pension benefits, determined by years of service and eventually reaching 100 percent vesting status.

⁶ Participants in this group were in plans that adopted ERISA's longest time span for graduated vesting which calls for 25 percent vesting with 5 years of service, with the vested percentage increasing 5 percentage points each year for 5 succeeding years, then 10 percentage points for each of the next 5 years. Thus, 15 years is the maximum requirement for this form of vesting.

Table 54. Private pension plans:¹ Percent of full-time participants by provision for postretirement survivor annuity, medium and large firms, 1984

Type of annuity for surviving spouse	All participants	Professional and administrative participants	Technical and clerical participants	Production participants
Total	100	100	100	100
Postretirement survivor annuity provided	100	100	100	100
Spouse's share of joint-and-survivor annuity ² only	90	92	94	86
50 percent of retiree's pension	20	15	16	24
51-99 percent of retiree's pension	6	5	3	9
100 percent of retiree's pension	1	(³)	(³)	1
Alternative percentages at retiree's option	63	72	74	53
Spouse's share of joint-and-survivor annuity plus portion of retiree's pension	5	3	1	8
Portion of retiree's accrued pension only	5	5	5	6
Postretirement survivor annuity not provided ⁴	(³)	(³)	(³)	(³)

¹ Excludes supplemental pension plans.

² 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 length of time that payments are expected to be made. ERISA requires that plans provide this annuity as an automatic form of pension payment. Employees must waive the spouse annuity in writing if they desire a pension during their lifetime only or another option offered by the plan, such as guarantee of payments for a specified period.

³ Less than 0.5 percent.

⁴ Includes participants in money purchase plans where the death benefit is in the form of a lump sum payment equal to the present value of the accrued benefit less payments already received.

NOTE: Because of rounding, sums of individual items may not equal totals.

Table 55. Private pension plans:¹ Percent of full-time participants by provision for preretirement survivor annuity, medium and large firms, 1984

Type of annuity for surviving spouse ²	All participants	Professional and administrative participants	Technical and clerical participants	Production participants
Total	100	100	100	100
Preretirement survivor annuity provided	99	99	98	99
Equivalent of joint and survivor annuity ³	71	70	69	72
Based on early retirement ⁴	63	63	60	65
50 percent of employee pension	46	42	43	49
At extra employee cost ⁵	12	12	11	14
51-99 percent of employee pension	7	5	5	9
At extra employee cost ⁵	(⁶)	-	-	1
100 percent of employee pension	3	4	3	2
At extra employee cost ⁵	(⁶)	(⁶)	(⁶)	(⁶)
Alternative percentages of pension at employee's option	7	11	9	4
At extra employee cost ⁵	2	4	3	1
Based on normal retirement ⁷	8	8	9	7
At extra employee cost ⁵ ...	(⁶)	(⁶)	(⁶)	1
Portion of accrued employee benefit	22	22	27	20
Reduced for early retirement	14	13	16	13
Unreduced for early retirement	7	8	9	6
Based on service projected to normal retirement date ...	2	2	2	1
Other annuity ⁸	5	6	3	7
No preretirement survivor annuity provided ⁹	1	1	2	1

¹ Excludes supplemental pension plans.

² Many plans offer an elective preretirement spouse option. If the elective provision was the only option, it was tabulated; if it was in combination with an automatic preretirement spouse option, only the automatic provision was tabulated.

³ 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 length of 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.

⁴ Survivor annuity is based upon the benefit the employee would have received if early retirement had occurred on the date of death.

⁵ Plan reduces the accrued employee pension benefit for each year survivor protection is in force.

⁶ Less than 0.5 percent.

⁷ Survivor annuity is based on the benefit the employee would have received if eligible for normal retirement on the date of death.

⁸ Includes annuity based on a dollar amount formula or percent of earnings.

⁹ A preretirement survivor annuity is required by ERISA only where plans allow the payment of retiree benefits prior to the plan's normal retirement age.

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

Table 56. Length of service requirements for participation:¹ Percent of full-time participants in sickness and accident insurance, medium and large firms, 1984

Length of service requirement	All participants	Professional and administrative participants	Technical and clerical participants	Production participants
Total	100	100	100	100
With service requirement	78	66	75	81
1 month	25	27	29	24
2 months	9	6	8	11
3 months	25	20	22	27
4-5 months	9	6	6	10
6 months	5	4	6	5
1 year	3	2	2	3
Over 1 year	1	1	2	(²)
Without service requirement	22	34	24	19
Service requirement not determinable	(²)	-	1	-

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

² Less than 0.5 percent.

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

Table 57. Length of service requirements for participation:¹ Percent of full-time participants in long-term disability insurance, medium and large firms, 1984

Length of service requirement	All participants	Professional and administrative participants	Technical and clerical participants	Production participants
Total	100	100	100	100
With service requirement	68	65	72	66
1 month	11	11	11	10
2 months	3	3	2	5
3 months	14	15	15	13
4-5 months	1	1	1	3
6 months	14	13	14	17
1 year	15	14	18	13
2 years	1	2	2	1
3 years	2	2	3	1
Over 3 years	5	5	6	4
Without service requirement	32	35	28	34

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

NOTE: Because of rounding, sums of individual items may not equal totals.

Table 58. Length of service requirements for participation:¹ Percent of full-time participants in health insurance, medium and large firms, 1984

Length of service requirement	All participants	Professional and administrative participants	Technical and clerical participants	Production participants
Total	100	100	100	100
With service requirement	56	42	50	67
1 month	20	18	17	23
2 months	7	3	4	10
3 months	18	12	19	20
4-5 months	3	1	1	5
6 months	8	7	7	8
Over 6 months	1	1	1	1
Without service requirement	43	57	50	32
Service requirement not determinable	1	(²)	1	1

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

² Less than 0.5 percent.

NOTE: Because of rounding, sums of individual items may not equal totals.

Table 59. Length of service requirements for participation:¹ Percent of full-time participants in basic life insurance, medium and large firms, 1984

Length of service requirement	All participants	Professional and administrative participants	Technical and clerical participants	Production participants
Total	100	100	100	100
With service requirement	56	41	53	64
1 month	19	17	15	23
2 months	8	2	5	12
3 months	18	14	22	19
4-5 months	(²)	(²)	(²)	1
6 months	7	6	7	8
7-11 months	(²)	-	-	(²)
1 year	2	2	3	2
Over 1 year	1	(²)	1	(²)
Without service requirement	44	58	46	35
Service requirement not determinable	(²)	(²)	(²)	(²)

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

² Less than 0.5 percent.

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

Table 60. Age and length of service requirements for participation:¹ Percent of full-time participants in private pension plans,² medium and large firms, 1984

Age and service requirement provisions ³	All participants	Professional and administrative participants	Technical and clerical participants	Production participants
Minimum requirement				
Total	100	100	100	100
With minimum age and/or service requirement	63	63	72	58
Service requirement only	22	20	22	24
1-2 months	1	(⁴)	(⁴)	1
3 months	1	1	1	1
6 months	2	2	2	3
1 year	16	15	15	17
2 years	1	1	1	1
3 years	1	1	2	(⁴)
Over 3 years	1	1	2	1
Age 24 or less	4	3	4	5
No service requirement	1	(⁴)	(⁴)	2
1-11 months of service	2	1	2	1
1 year	2	1	2	2
Age 25	36	39	46	29
No service requirement	2	3	2	1
1-6 months of service	1	1	1	1
1 year ⁵	34	36	43	28
Without minimum age and/or service requirement	37	37	28	42
Maximum age requirement				
Total	100	100	100	100
With maximum age limitation ⁶	61	67	71	52
Without maximum age limitation	39	33	29	48

¹ Excludes maximum 6-month administrative time lags allowed by ERISA. Most plans with time lags adopt the beginning of designated 6-month periods as participation dates.

² Excludes supplemental pension plans.

³ If a plan had alternate participation requirements, one of which was service only, the service only requirement was tabulated.

⁴ Less than 0.5 percent.

⁵ ERISA legislation states that nearly all pension plans must allow participation to full-time employees who have reached age 25 and who have completed one year of service.

⁶ ERISA legislation permits plan administrators to impose a maximum age for participation. Maximum age must be within 5 years of the plan's normal retirement date.

NOTE: Because of rounding, sums of individual items may not equal totals.

Table 61. Type of plan sponsor: Percent of full-time participants in sickness and accident insurance, medium and large firms, 1984

Plan sponsor	All participants	Professional and administrative participants	Technical and clerical participants	Production participants
Total	100	100	100	100
Single employer—union-negotiated plan	31	10	11	41
Single employer—nonunion	42	58	53	35
Single employer—bargaining status not known	11	10	9	12
Multiemployer ¹	2	—	4	2
State disability board ²	12	22	22	7
Railroad retirement board	2	—	1	3

¹ Individual employers in the same or in a related industry contributing a negotiated amount to trust fund providing benefits for employees covered under a collective bargaining agreement. The scope of the agreement may be at local, district council, or national level.

² Administrators of mandatory temporary disability insurance benefits in New Jersey and New York. Required benefits can be provided through an employer-sponsored plan as a substitute for the State fund.

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

Table 62. Type of plan sponsor: Percent of full-time participants in long-term disability insurance, medium and large firms, 1984

Plan sponsor	All participants	Professional and administrative participants	Technical and clerical participants	Production participants
Total	100	100	100	100
Single employer—union-negotiated plan	15	3	6	37
Single employer—nonunion	76	89	88	51
Single employer—bargaining status not known	9	8	6	12
Multiemployer ¹	(²)	(²)	—	1

¹ Individual employers in the same or in a related industry contributing a negotiated amount to trust fund providing benefits for employees covered under a collective bargaining agreement. The scope of the agreement may be at local, district council, or national level.

² Less than 0.5 percent.

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

Table 63. Type of plan sponsor: Percent of full-time participants in health insurance, medium and large firms, 1984

Plan sponsor	All participants	Professional and administrative participants	Technical and clerical participants	Production participants
Total	100	100	100	100
Single employer—union-negotiated plan	27	16	15	38
Single employer—nonunion	59	73	73	46
Single employer—bargaining status not known	10	11	9	10
Multiemployer ¹	4	(²)	3	6
Employer association ³	(²)	(²)	(²)	(²)

¹ Individual employers in the same or in a related industry contributing a negotiated amount to trust fund providing benefits for employees covered under a collective bargaining agreement. The scope of the agreement may be at the local, district council, or national level.

² Less than 0.5 percent.

³ Band of small employers in a common trade or business, for example, automobile dealers. The plan sponsored by the association is not negotiated with the employees.

NOTE: Because of rounding, sums of individual items may not equal totals.

Table 64. Type of plan sponsor: Percent of full-time participants in life insurance, medium and large firms, 1984

Plan sponsor	All participants	Professional and administrative participants	Technical and clerical participants	Production participants
Total	100	100	100	100
Single employer—union-negotiated plan	27	12	13	43
Single employer—nonunion	64	84	79	46
Single employer—bargaining status not known	5	5	4	6
Multiemployer ¹	4	(²)	3	6
Employer association ³	(²)	-	(²)	-

¹ Individual employers in the same or in a related industry contributing a negotiated amount to trust fund providing benefits for employees covered under a collective bargaining agreement. The scope of the agreement may be at the local, district council, or national level.

² Less than 0.5 percent.

³ Band of small employers in a common trade or business, for example, automobile dealers. The plan sponsored by the association is not negotiated with the employees.

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

Table 65. Type of plan sponsor: Percent of full-time participants in private pension plans,¹ medium and large firms, 1984

Plan sponsor	All participants	Professional and administrative participants	Technical and clerical participants	Production participants
Total	100	100	100	100
Single employer—union-negotiated plan	30	9	12	51
Single employer—nonunion	64	89	86	39
Single employer—bargaining status not known	3	2	2	4
Multiemployer ²	3	(³)	(³)	6
Employer association ⁴	(³)	-	(³)	(³)

¹ Excludes supplemental pension plans.

² Individual employers in the same or in a related industry contributing a negotiated amount to trust fund providing benefits for employees covered under a collective bargaining agreement. The scope of the agreement may be at the local, district council, or national level.

³ Less than 0.5 percent.

⁴ Band of small employers in a common trade or business, for example, automobile dealers. The plan sponsored by the association is not negotiated with the participants.

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

Table 66. Other benefits: Percent of full-time employees in establishments providing specified benefits by percent of employees eligible, medium and large firms, 1984

Benefit	Total	All workers eligible	51 to 99 percent eligible	1 to 50 percent eligible	None eligible	Data not available
Professional and administrative employees						
Paid leave:						
Funeral leave	100	88	(¹)	(¹)	7	5
Military leave	100	81	(¹)	1	14	5
Profit sharing, savings, and stock plans:						
Profit sharing	100	24	3	1	67	5
Savings and thrift	100	42	7	(¹)	45	5
Stock bonus plans	100	4	(¹)	3	87	5
Stock purchase plans	100	18	1	1	74	6
Stock ownership plans ²	100	27	4	(¹)	63	5
Income continuation plans:						
Severance pay	100	61	3	2	30	5
Miscellaneous benefits:						
Employee discounts	100	48	1	(¹)	46	5
Gifts	100	10	1	3	81	6
In-house infirmary	100	46	2	1	45	5
Nonproduction bonuses	100	20	1	7	67	6
Relocation allowance:						
Full defrayment of expenses	100	59	1	5	29	6
Partial defrayment of expenses	100	16	2	3	73	6
Recreational facilities:						
Full defrayment of cost	100	17	1	1	76	5
Partial defrayment of cost	100	16	(¹)	1	77	5
Subsidized meals:						
Full defrayment of cost	100	1	(¹)	(¹)	93	5
Partial defrayment of cost	100	26	1	2	66	5
Educational assistance:						
Full defrayment of expenses	100	29	(¹)	(¹)	65	5
Partial defrayment of expenses	100	53	1	1	40	5
Parking:						
Provided at no cost	100	68	4	5	19	5
Provided below commercial rates	100	3	(¹)	2	90	5
Company automobile for personal business:						
Without reimbursing the company	100	1	1	16	77	5
Partially reimbursing the company	100	2	1	11	81	5
Technical and clerical employees						
Paid leave:						
Funeral leave	100	88	1	(¹)	6	5
Military leave	100	80	(¹)	(¹)	15	5
Profit sharing, savings, and stock plans:						
Profit sharing	100	27	2	2	64	5
Savings and thrift	100	36	8	3	48	5
Stock bonus plans	100	3	(¹)	-	91	5
Stock purchase plans	100	14	1	(¹)	79	5
Stock ownership plans ²	100	23	5	1	67	5
Income continuation plans:						
Severance pay	100	57	2	1	34	5
Miscellaneous benefits:						
Employee discounts	100	57	1	(¹)	37	5
Gifts	100	12	1	2	80	6
In-house infirmary	100	36	3	3	53	5
Nonproduction bonuses	100	22	1	1	70	5
Relocation allowance:						
Full defrayment of expenses	100	26	(¹)	3	65	6
Partial defrayment of expenses	100	10	1	2	82	6
Recreational facilities:						
Full defrayment of cost	100	14	(¹)	(¹)	80	6
Partial defrayment of cost	100	15	-	(¹)	79	6

See footnotes at end of table.

Table 66. Other benefits: Percent of full-time employees in establishments providing specified benefits by percent of employees eligible, medium and large firms, 1984—Continued

Benefit	Total	All workers eligible	51 to 99 percent eligible	1 to 50 percent eligible	None eligible	Data not available
Technical and clerical employees						
Miscellaneous benefits—Continued						
Subsidized meals:						
Full defrayment of cost	100	1	(¹)	(¹)	93	6
Partial defrayment of cost	100	22	3	3	66	6
Educational assistance:						
Full defrayment of expenses	100	28	(¹)	(¹)	66	5
Partial defrayment of expenses	100	49	1	1	44	5
Parking:						
Provided at no cost	100	61	5	6	23	5
Provided below commercial rates	100	4	(¹)	3	88	5
Company automobile for personal business:						
Without reimbursing the company	100	(¹)	(¹)	1	93	5
Partially reimbursing the company	100	(¹)	-	1	93	5
Production employees						
Paid leave:						
Funeral leave	100	86	1	(¹)	9	4
Military leave	100	66	(¹)	1	28	5
Profit sharing, savings, and stock plans:						
Profit sharing	100	19	2	2	72	5
Savings and thrift	100	19	4	4	68	5
Stock bonus plans	100	3	(¹)	1	92	5
Stock purchase plans	100	11	1	1	83	5
Stock ownership plans ²	100	23	2	2	68	5
Income continuation plans:						
Severance pay	100	30	2	6	57	5
Miscellaneous benefits:						
Employee discounts	100	51	1	(¹)	43	5
Gifts	100	9	(¹)	1	84	5
In-house infirmary	100	53	1	1	40	5
Nonproduction bonuses	100	17	1	1	77	5
Relocation allowance:						
Full defrayment of expenses	100	9	-	6	79	5
Partial defrayment of expenses	100	10	1	2	83	5
Recreational facilities:						
Full defrayment of cost	100	14	(¹)	(¹)	81	5
Partial defrayment of cost	100	15	-	(¹)	80	5
Subsidized meals:						
Full defrayment of cost	100	1	-	(¹)	94	5
Partial defrayment of cost	100	16	(¹)	1	78	5
Educational assistance:						
Full defrayment of expenses	100	17	(¹)	1	77	5
Partial defrayment of expenses	100	51	(¹)	2	42	5
Parking:						
Provided at no cost	100	80	2	1	12	5
Provided below commercial rates	100	1	(¹)	1	93	5
Company automobile for personal business:						
Without reimbursing the company	100	(¹)	-	1	94	5
Partially reimbursing the company	100	(¹)	-	(¹)	95	5

¹ Less than 0.5 percent.

² Include Employee Stock Ownership Plans and Payroll-based Stock Ownership Plans.

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

Appendix A: Technical Note

Scope of survey

This survey of the incidence and characteristics of employee benefit plans covered private sector establishments¹ in the United States, excluding Alaska and Hawaii, employing at least 50, 100, or 250 workers, depending on the industry. Industrial coverage included: Mining; construction; manufacturing; transportation, communications, electric, gas, and sanitary services; wholesale trade; retail trade; finance, insurance, and real estate; and selected services (table A-1).

Establishments which met the minimum size criteria as of the reference date of the sampling frame were included in the survey, even if they employed fewer workers at the time of data collection. Establishments found to be outside the industrial scope of the survey at the time of data collection were excluded.

Table A-1 shows the estimated number of establishments and employees within the scope of the survey and the number within the sample actually studied for each major industry division.

Occupational groups

Data were collected individually for the following three broad occupational groups:

Professional-administrative:

Includes occupations that require a foundation of knowledge in the theories, concepts, principles, and practices of a broad field of science, learning, administration, or management acquired through a college-level education or the equivalent in progressively responsible experience. Above entry levels, the exercise of a high degree of creativity, originality, analytical ability, and independent judgment to solve varied and complex problems in the field of work is characteristic.

Technical-clerical:

Includes office and sales clerical, technical support, protective services, and other such occupa-

tions that do not require full knowledge of a professional or administrative field of work or the application of a high level of creativity, originality, analytical ability, or independent judgment. Job performance skills are typically acquired through on-the-job experience and/or specific training which is less than that usually represented by a baccalaureate degree. These skills include the application of a practical knowledge of established procedures, practices, precedents, and guidelines.

Production:

Includes skilled, semiskilled, and unskilled trades; craft and production occupations; manual labor occupations; custodial occupations; and operatives.

Excluded from the survey were executive employees (defined as those whose decisions have direct and substantial effects on an organization's policymaking), and part-time, temporary, seasonal, and traveling operating employees such as airline flight crews and long-distance truckdrivers.

Benefit areas

Sampled establishments were requested to provide data on work schedules and details of plans in each of the following benefit areas: Paid lunch periods, paid rest periods, paid holidays, paid vacations, personal leave, sick leave, sickness and accident insurance, long-term disability insurance, health insurance, private retirement pensions, and life insurance.

BLS also collected data on the incidence of the following additional benefits: Funeral leave; military leave; profit sharing plans; savings and thrift plans; stock bonus plans; stock purchase plans; stock ownership plans; severance pay; employee discounts; noncash bonuses; nonproduction bonuses; relocation allowances; recreation facilities; subsidized meals; educational assistance; automobile parking; personal use of company-owned car; and in-house infirmary.

Sampling frame

The scope of this survey was the same as that of the Bureau's 1984 National Survey of Professional, Administrative, Technical, and Clerical Pay (PATC). The list of establishments from which the sample was selected (called the sampling frame) was, therefore, the same as that developed for the 1984 PATC. This sampling frame was developed by refining data from the most recently

¹ For this survey, an establishment was an economic unit(s) which produced goods or services, a central administrative office, or an auxiliary unit providing support services to a company. In manufacturing industries, the establishment was usually a single physical location. In nonmanufacturing industries, all locations of an individual company within a Standard Metropolitan Statistical Area (SMSA) or within a nonmetropolitan county were usually considered an establishment.

Table A-1. Estimated number of establishments and workers within scope of survey and number studied, medium and large firms, United States,¹ 1984

Industry division ²	Minimum employment in establishments within scope of survey	Estimated number of establishments	Number of workers in establishments			
			Total ³	Professional and administrative	Technical and clerical	Production
	Within scope of survey ⁴					
All industries	-	45,007	23,533,388	5,324,711	5,243,586	10,444,668
Manufacturing	⁵ 100-250	19,352	11,989,993	2,567,491	1,652,062	7,541,882
Nonmanufacturing	-	25,658	11,543,395	2,757,220	3,591,524	2,902,786
Mining	250	740	366,675	83,533	58,027	221,354
Construction	250	670	366,277	65,017	36,591	221,381
Transportation, communications, electric, gas, and sanitary services	⁶ 100-250	4,472	2,681,520	575,132	637,336	1,139,122
Wholesale trade	100	5,528	1,072,024	355,817	312,192	304,320
Retail trade	250	4,034	3,469,122	355,084	718,711	883,681
Finance, insurance, and real estate	100	7,102	2,698,149	872,241	1,518,399	97,035
Selected services ⁷	⁸ 50-100	3,113	889,628	450,395	310,267	35,893
	Studied ⁹					
All industries	-	1,326	3,861,379	1,038,412	861,669	1,706,820
Manufacturing	⁵ 100-250	635	2,332,237	640,863	340,458	1,329,694
Nonmanufacturing	-	691	1,529,142	397,549	521,211	377,126
Mining	250	26	30,040	12,557	8,454	8,569
Construction	250	30	51,584	15,632	9,163	20,527
Transportation, communications, electric, gas, and sanitary services	⁶ 100-250	163	669,130	162,183	191,053	259,294
Wholesale trade	100	82	32,310	12,809	10,706	6,098
Retail trade	250	146	338,635	36,864	83,968	71,575
Finance, insurance, and real estate	100	173	330,134	114,040	194,423	5,620
Selected services ⁷	⁸ 50-100	71	77,309	43,464	23,444	5,443

¹ Excludes Alaska and Hawaii.

² As defined in the 1972 edition of the Standard Industrial Classification Manual, U.S. Office of Management and Budget.

³ This figure includes out-of-scope workers. These workers--executive management, part time, temporary, seasonal, and operating personnel in constant travel status (e.g., airline pilots)--are excluded from the counts of employment by occupational group.

⁴ Number of establishments and workers shown within the scope of the survey are estimates. These estimates differ from those developed in the 1984 PATC survey, since each is based on the findings of its respective survey.

⁵ Minimum employment size was 100 for chemical and allied products; petroleum refining and related industries; machinery, except electrical; electrical machinery, equipment, and supplies; transportation equipment; and instruments and related products. Minimum size was 250 in all other manufacturing industries.

⁶ Minimum employment size was 100 for railroad transportation; local and suburban transit; deep sea foreign and domestic transportation; air transportation; communications; electric, gas, and sanitary services; and pipelines; and 250 for all other transportation industries. U.S. Postal Service is excluded from the survey.

⁷ Limited to advertising; credit reporting and collection agencies; computer and data processing services; research and development laboratories; commercial testing laboratories; management and public relations services; engineering and architectural services; noncommercial research organizations; and accounting, auditing, and bookkeeping services.

⁸ Minimum employment size was 50 for accounting, auditing, and bookkeeping services; and 100 in all other selected services.

⁹ 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.

available State Unemployment Insurance (UI) reports for the 48 States covered by the survey and the District of Columbia. The reference date of the available UI reports was generally March 1982. The refinement procedures included an effort to ensure that most sampling frame units corresponded to the definition of an establishment developed for this survey. (A small number of sampling frame units were not refined to correspond to the definition of an establishment because of limited company reporting ability.)

Sample design

The sample for this survey was a subsample of the 1984 PATC sample to reduce the costs and resources required for data collection. The sample of 1,499 establishments² was selected by first stratifying the sampling

frame by broad industry group and establishment size group based on the total employment in the establishment. The industry groups consisted of the eight major industry divisions, as defined by the Office of Management and Budget, which are covered by the survey and shown in table A-1.

The establishment size groups are defined as follows:

Employment size group	Establishment employment
3	50-99
4	100-249
5	250-499
6	500-999
7	1,000-2,499
8	2,500-4,999
9	5,000-9,999
10	10,000 and over

The sample size was allocated to each stratum (defined by industry and size) approximately proportional to the total employment of all sampling frame establishments in the stratum. Thus, a stratum which contained 1 percent of the total employment within the scope of the survey received approximately 1 percent of the total sample. The result of this allocation procedure is that each stratum will have a sampling fraction (the ratio of the number of units in the sample to the number in the sampling frame) which is proportionate to the average measure of size of the units in the stratum.

A random sample was selected within each stratum using a probability technique to maximize the probability of retaining establishments which were selected in the 1983 survey.³ This method of selection reduced collection costs by decreasing the number of new establishments in the sample.

Data collection

Data for the survey were collected by visits of Bureau field representatives to the sampled establishments. To reduce the reporting burden, respondents were asked to provide documents describing their private pension plans and plans covering the four insured benefit areas within the scope of the survey. These were analyzed by BLS staff in Washington to obtain the required data on plan provisions. Data on paid leave and other paid time off generally were obtained directly from the employers at the time of the visit.

Data were collected during the months of January through July, reflecting an average reference period of March 1984. Respondents were asked for information as of the time of the data collection visit.

Data tabulation

The tables presented in this bulletin show the percent of employees that were covered by paid leave plans, participated in insurance or pension plans, or were eligible for other benefits. Except in table 66, counts of workers covered by benefit plans included those who had not met possible minimum length-of-service requirements at the time of the survey. Workers were counted as participants in employee benefit plans that require the employee to pay part of the cost only if they elected the plan and paid their share. Plans for which the employee paid the full premium were outside the scope of the survey, even if the employer paid administrative costs. When tabulating the effect of retirement on life insurance coverage, however, cases where the retiree must pay the full cost of the insurance were counted

since the guarantee of insurability at retirement is considered a benefit.

Most of the tables in this bulletin show the percent of workers covered by individual benefit plans or plan provisions. Percentages are calculated in three ways. One technique, followed in tables 1-5, 7, and 10-13, shows the number of covered workers as a percent of all workers within the scope of the survey. It is designed to show the incidence of the individual employee benefit.

A second approach is followed in tables 6, 9, 16, 18-20, 32, 34-35, 38-39, 44-45, 47-48, 51, and 53-65, which show the number of workers covered by specific features in a benefit area as a percent of all employees who participate in that general benefit area. These tables answer questions concerning the typical coverage provided to persons with a given insurance benefit or a private pension plan; for example, what percent of all employees with health insurance receive dental coverage?

The third approach provides a close look at an important feature (tables 17, 21-31, 33, 36-37, 40-43, and 49); for example, what percent of all employees with dental coverage in their health insurance are covered for orthodontic work? Tables 50 and 52 combine the second and third types above, indicating in the first row of data the percent of persons in the benefit area who have a particular coverage, while the remainder of the table is based on all employees with that coverage.

This multilevel approach has the advantage of clearly pointing out typical benefit plan characteristics after the prevalence of the benefit has been established. Any of the second or third types of tables, if desired, can be converted to the first type by multiplying each data cell by the appropriate factors. For example, to calculate the percent of all employees with orthodontic coverage, multiply the percent of those with dental plans that cover orthodontia (table 26) by the percent of health insurance participants with dental coverage (table 20), and multiply that product by the percent of all employees who have health insurance coverage (table 1).

Tables 8, 14-15, and 46 are distinct from the first three approaches since they display average benefit values rather than percentages of workers. These tables present the averages for all covered employees; calculations exclude workers without the benefit from the base.

Survey response

Each of the 36 combinations of occupational groups and work schedule or benefit areas (e.g., health insurance for production employees) was treated as an individual survey and separate estimates developed for each. This treatment facilitated the use of partially completed establishment reports in the survey. Therefore, the actual number of responses for the survey varies for each of the 36 combinations.

²The number of sample units selected in this survey is, at present, largely determined by resources and operational constraints and may be adjusted up or down in future surveys.

³This method modifies the method introduced by Nathan Keyfitz in "Sampling with Probabilities Proportional to Size: Adjusting for Changes in the Probabilities," *Journal of the American Statistical Association*, 1951, No. 46, pp. 105-9.

The following summary is a composite picture of the establishment responses to the survey:

<i>Number of establishments:</i>	
In sample	1,499
Out of business and out of scope .	41
Refusing to respond	121
Nonresponse other than refusal . . .	11
Responding fully or partially	1,326

There were two procedures used to adjust for missing data from partial schedules and total refusals. First, imputations for the number of plan participants were made for cases where this number was not reported (2 percent of all participants). Each of these values was imputed by randomly selecting a similar plan from another establishment in a similar industry and region. The participation rate from this plan was then used to approximate the number of participants for the plan which was missing a participation value but was otherwise usable.

For other forms of missing data (or nonresponse), an adjustment was made using a weight adjustment technique based on sample unit employment. Under such a technique, a model is assumed in which the mean value of the nonrespondents is equal to the mean value of the respondents at some detailed "cell" level. These cells are defined in a manner that groups establishments together which are homogeneous with respect to the characteristics of interest. In most cases, these cells are the same as those used for sample selection. The specific weight adjustments used in this survey were calculated in four stages for each occupational group and benefit area combination. This allowed a maximum amount of data from partially completed establishment reports to be incorporated into survey estimates. For example, data on the number of occupational group employees in an establishment or participants in a plan, or information on the existence of a plan, could be used even if the plan provisions could not be obtained.

Survey estimation methods

The survey design used an unbiased estimator (the Horvitz-Thompson) which assigns the inverse of each sample unit's probability of selection as a weight to the unit's data. The estimator was modified to account for a weight adjustment factor developed during the adjustment for nonresponse. The general form of the estimator for a population total was:

$$Y = \sum_{i=1}^n \frac{Y_i}{P_i}$$

where n = sample size

Y_i = value for the characteristics of the i^{th} unit

P_i = the probability of including the i^{th} unit in the sample

The basic form of the estimator, after modification to account for the weight adjustment factor, f_i , developed during the adjustment for nonresponse, was:

$$Y = \sum_{i=1}^{n_1} \frac{f_i Y_i}{P_i}$$

where n_1 = number of responding units

f_i = weight adjustment factor for the i^{th} unit.

The estimation procedure was then the process of estimating the appropriate employment or establishment totals needed for each estimate and subsequently calculating the proportion, mean, or percentage which was desired.

Reliability of estimates

The statistics in this bulletin are estimates derived from a sample survey. There are two types of errors possible in estimates based on a sample survey—sampling and nonsampling. The "accuracy" of a survey result is determined by the joint effects of sampling and nonsampling errors.

Sampling errors occur because observations are made from only a sample, not the entire population. Since this survey was based on a probability sample, estimates of sampling error for the survey estimates can be produced directly from the survey data. Sampling errors for a limited number of the estimates published in this bulletin are available in the detailed description of survey methodology and reliability noted below. In addition, the Bureau recently developed measures of sampling errors for many estimates produced from the 1982 and 1983 employee benefits surveys, as well as for changes in estimates between the two surveys. The results of the work are available upon request.

Nonsampling errors can be attributed to many sources: Inability to obtain information about all cases in the sample; definitional difficulties; differences in the interpretation of questions; inability or unwillingness to provide correct information on the part of respondents; mistakes in recording or coding the data obtained; and other errors of collection, response, processing, coverage, and estimation for missing data. Through the use of computer edits of the data and professional review of both individual and summarized data, efforts were made to reduce the nonsampling errors in recording, coding, and processing the data. The nonresponse adjustment procedures are also a potential source of survey nonsampling error. To the extent that the characteristics of the nonrespondents are not the same as those of the respondents, nonsampling error is introduced in the estimates. The magnitude of these and other nonsampling errors is currently undetermined.

A more detailed description of survey methodology and reliability may be obtained from the Office of Wages and Industrial Relations, Bureau of Labor Statistics, U.S. Department of Labor.

Appendix B: Availability of the Survey's Data Base

The tables published in this bulletin present the major findings of the employee benefits survey; results of additional review of various benefit plan provisions appear in the *Monthly Labor Review*. However, these cover only a portion of the employee benefits information collected. Persons interested in all provisions of a particular benefit studied during the annual survey can purchase a set of magnetic tapes containing the survey's data base through the Office of Wages and Industrial Relations, Bureau of Labor Statistics, Washington, D.C. 20212. The charge for furnishing the data is limited to the cost of producing the tapes and preparing supporting documentation.

For major benefit items, the BLS survey obtained plan provisions and employee participation data for each of three employee groups (professional-administrative, technical-clerical, and production workers). Information on employer costs was not collected. The magnetic tapes, which consist of a control file and plan data files for each benefit area, may be used to derive national estimates, similar to those published in this bulletin, for other items on the data base. For some data items not presented in this bulletin, however, the datafile is insufficient to produce reliable national estimates, because either information on the provisions frequently were not available or the number of employees with the provision was very small. Moreover, the tapes cannot yield reliable estimates for individual industries, geographic regions, or establishment size classes. Full documentation accompanies the tapes, including examples of estimating formulas. Although Bureau staff will respond to any questions concerning the content of the tapes, technical assistance in developing estimates cannot be provided to purchasers due to the heavy workload associated with the survey program.

Data users can purchase tapes with details of plans for one benefit area or all, i.e., health, life, sickness and accident, and long-term disability insurance; private retirement pensions; and paid time-off provisions—lunch time, rest periods, holidays, personal leave, vacations, and sick leave. (Table 66 presents all of the information that was collected on the other benefits surveyed.) The plan data file contains provisions for each plan which was reported and for which usable information was available. However, plan identification numbers on the

tape are scrambled (and other identifying information is removed) to protect the confidentiality of responding establishments.

Data users also can purchase the control file, which contains establishment information required to produce estimates from the plan data. Control file records include establishment sample weights and size codes; geographic, industrial, and employee group classification codes; and the number of workers in the employee group. The control file also lists all benefit plans offered in each establishment, with the number of plan participants in each employee group. A plan is listed on more than one control file record if it covers employees in more than one establishment. Although plan identification numbers on the control file are scrambled, the same scrambled numbers appear on the data file so they can be matched to make estimates. Because establishment schedule numbers on the control file are scrambled differently for each employee group, it will not be possible to link together plans offered to different employee groups within an establishment.

Benefit provisions obtained from plan documents are recorded in coding manuals for insurance and pension plans and then entered on the plan data file. A set of coding manuals and instructions for completing them are supplied to tape purchasers for interpretation of data on the file. Paid time-off provisions are reported on collection forms which are also provided to tape purchasers.

The analysis of insurance and pension plans is extremely detailed. The following list of health insurance plan provisions included in the data base gives an indication of the breadth and depth of the information available on the magnetic tapes. Other insurance and pension analysis is similarly detailed.

Health insurance data base

Plan participation requirements

- When plan participation begins

- Waiting period by type of benefit

- Maximum age for participation

Employee contribution for employee and dependents' benefits

- Percent paid or monthly contribution

Section A

Funding media for major categories of health care

- Hospital benefits

- Surgical benefits

- Medical benefits

- Major medical benefits

- Dental benefits

Administrative details

- Pre-existing condition

- Minimum age of dependent children

- Waiting period in case of infant illness

- Maximum age of dependent children

- Retiree eligibility

- Eligibility of retirees eligible for Medicare

- Coverage of dependents of retirees eligible for Medicare

- Medicare contribution for retiree

- Medicare contribution for dependents of retirees eligible for Medicare

- Disabled or retired employees' benefit coverage

- Coverage of retirees' dependents not eligible for Medicare

- Survivors' benefit coverage

Section B

Hospital and extended care coverage

- Hospital room and board coverage

- Hospital intensive care

- Hospital miscellaneous coverage

- Extended care coverage

- Extended care in licensed extended care facility

- Basis of extended care coverage

- Extended care by home health care

Surgical and medical benefits

- Surgical care coverage

- Surgical schedule

- Conversion factor for relative value schedule

- Selected surgical procedure maximums

- Maximum for multiple procedure

- In-hospital medical coverage

- Medical office coverage

Maternity care benefit

- Who is covered

- Obstetrical schedule

- Voluntary abortion coverage

- Miscarriages or therapeutic abortion coverage

- Maximum for male sterilization

- Maximum for female sterilization

- Separate deductibles

Diagnostic X-ray and laboratory testing (DXL)

- benefit

- DXL coverage

- Limitations on DXL coverage

- DXL schedule

Selected DXL procedure maximums

Outpatient care and special accident benefit

- Outpatient care coverage

- Comparison of inpatient and outpatient coverage

- Separate limitations

- Outpatient charges covered under major medical

- Accidental bodily injury—special benefit

Prescription drug and private duty nursing coverage

- Prescription drug

- Private duty nursing

Mental health care benefits

- Mental health care coverage

- Hospital confinements due to mental disorders

- Hospital confinements due to mental disorders covered the same as other illnesses

- Selected coverages for mental health care

- Coverage in special hospital

Dental care benefits

- Dental care coverage

- Coverage of employees

- Coverage of spouses

- Coverage of dependent children

- Prophylaxis and routine exams

- Fillings

- Surgery - dental

- Inlays

- Crowns

- Periodontal care

- X-rays

- Orthodontia

- Incentive schedule

- Deductible

- Maximum coverage

- Copayment

Vision care benefits

- Vision care coverage

- Eyeglasses

- Schedule for eyeglasses

- Eye exams

- Contact lenses

- Orthoptics

Other medical benefits

- Second surgical opinion

- Alcoholism treatment

- Drug abuse treatment

- Hearing care

- Hospice care

- Physical examinations

Section C

Deductible, coinsurance, and/or maximum benefit provisions

- Covered expenses

- Deductible expenses

Coinsurance by the amount of incurred expenses
Coinsurance by the number of days/visits
Maximum dollar per day/visit by number of days/visits
Maximum number of days/visits for specified expenses
Maximum dollar payable for specified covered expenses

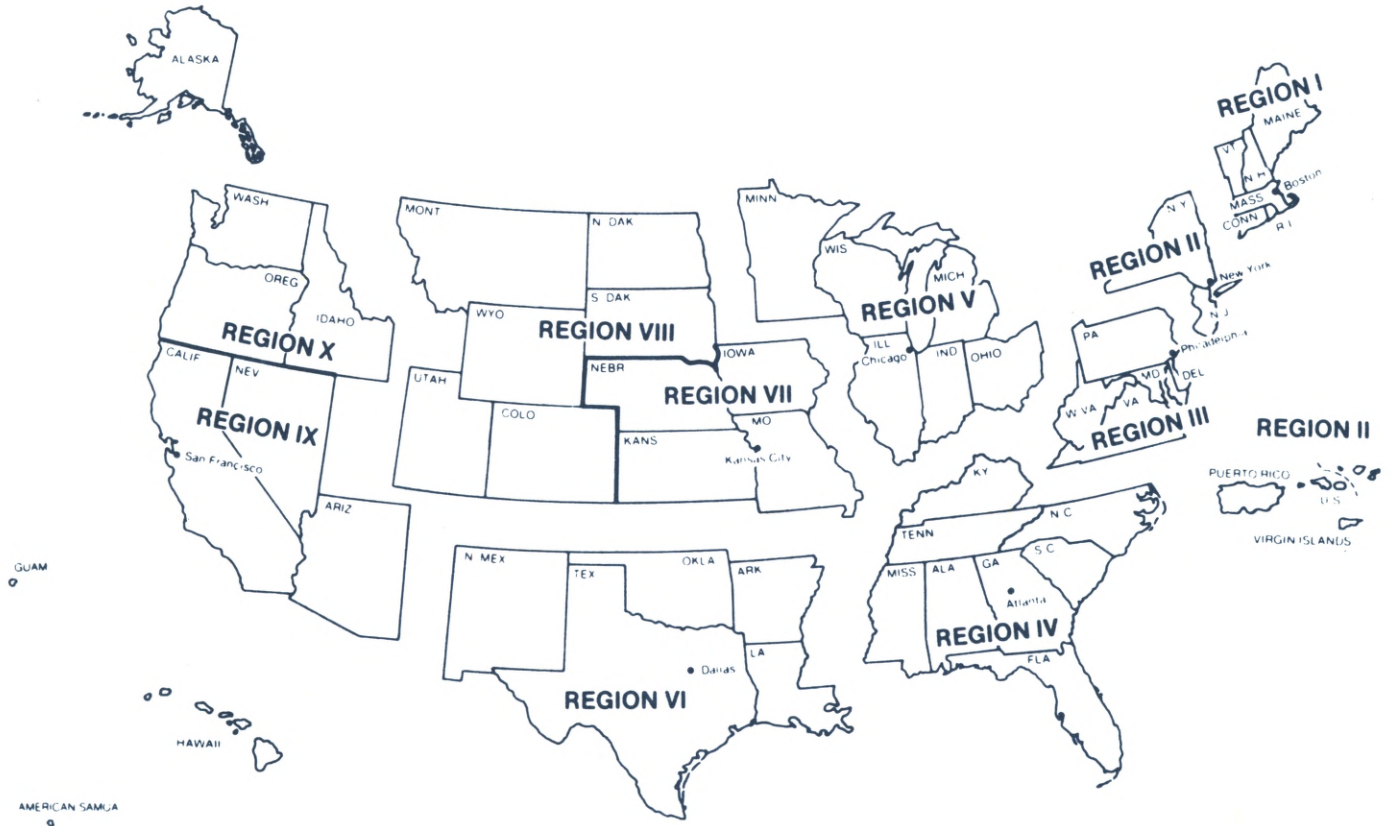
Section C questions are designed to identify and describe the benefit provisions of covered expenses in sec-

tion B that are subject to deductible, coinsurance, and/or maximum benefit provisions. This section consists of 15 sets of seven questions. One set of questions is completed for each covered expense, or group of covered expenses, with identical deductible, coinsurance, and maximum benefit provisions. In the first question of each set, a group of expenses with common provisions is identified. The remaining six questions give the benefit provisions for the group. Additional sets of questions are completed until the benefit provisions of all covered expenses have been described.

*U.S. GOVERNMENT PRINTING OFFICE: 1985-461-566:36474

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