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Notes

Medicare Beneficiaries with Dual Sources of Coverage

by Craig Copeland

Medicare, the federal health care insurance program for the elderly and disabled, was significantly changed by the Balanced Budget Act of 1997 (BBA) with the goal of putting its finances on solid ground.[1] BBA's provisions are projected to save Medicare $115 billion through the year 2002 and $386 billion through the year 2007. Despite these savings, the Medicare Part A Trust Fund[2] is expected to become insolvent by the year 2009, approximately two years before the post-World War II baby boom generation reaches the current Medicare eligibility age of 65. Consequently, Congress has established a bipartisan commission to study the long-term future of Medicare.

Medicare's financial problems persist even though the program's standard benefits have relatively high deductibles and copayments and its benefits are less comprehensive than those typically provided by private plans for nonelderly individuals. Because of these relative limitations of Medicare benefits, beneficiaries have found it desirable or necessary in some cases to purchase supplemental insurance coverage, or "Medigap" policies[3] to fill in the coverage "gaps." One-third of noninstitutionalized elderly Medicare beneficiaries had individually purchased Medigap coverage in 1996, according to the March 1997 Current Population Survey (CPS). Another third of Medicare beneficiaries had employment-based health care coverage in addition to their Medicare benefits, and approximately 9 percent had another public source of coverage. Thus, while one-third of the noninstitutionalized elderly Medicare beneficiaries were enrolled in an individually purchased Medigap policy, over 75 percent of all beneficiaries have health benefits in addition to Medicare's standard benefits. This left 25 percent of noninstitutionalized elderly Medicare beneficiaries with Medicare as their only source of coverage.[4]

This article examines the noninstitutionalized elderly Medicare beneficiaries with dual sources of health care coverage, i.e., those with some form of coverage in addition to their Medicare benefits. The first section looks at trends in the number of beneficiaries with dual sources from 1994 to 1996, as well as in the breakdown of the additional sources. The second section provides a demographic breakdown of these Medicare beneficiaries in order to discern the changes that occurred during the period from 1994 to 1996 in the percentage of beneficiaries with dual sources of coverage in various demographic groups. The third section discusses the implications of these results.

Trends in Medicare Beneficiaries With Dual Sources of Coverage

The number of noninstitutionalized elderly Medicare beneficiaries with dual sources of coverage fell from 23.3 million in 1994 to 23.0 million in 1996. This represents a decline from 77.1 percent to 75.1 percent of these beneficiaries (table 1). Among the sources of dual coverage, only employment-based coverage declined, while other private sources and public sources[5] remained virtually unchanged during this period. However, the number of Medicare beneficiaries without another source of coverage increased from 6.9 million in 1994 to 7.6 million in 1996, or from 22.9 percent to 24.9 percent.

Table 1
Medicare Beneficiaries[a] with Dual Sources of Coverage, 1994-1996

	1994	1995	1996
	(in millions)		
Total Population	30.2	30.5	30.6
Medicare and other source	23.3	23.5	23.0
Medicare and private source	20.6	21.0	20.3
employment-based	10.5	10.5	10.2
other private	10.1	10.5	10.1
Medicare and public source	2.7	2.5	2.7
Medicare only	6.9	7.1	7.6
	(percentage within year)		
Total Population	100.0%	100.0%	100.0%
Medicare and other source	77.1	76.9	75.1
Medicare and private source	68.0	68.7	66.4
Employment-based	34.7	34.3	33.2
other private	33.3	34.4	33.2
Medicare and public source	9.1	8.2	8.7
Medicare only	22.9	23.1	24.9

Source: Employee Benefit Research Institute analysis of March 1997, 1996, and 1995 Current Population Surveys.
[a]Noninstitutionalized elderly Medicare beneficiaries only.

Table 2
Medicare Beneficiaries[a] with Dual Sources of Coverage by Poverty Status and Gender, 1994-1996

	1994				1995				1996			
Demographic Category	Total	Private Source	Public Source	No Other Source	Total	Private Source	Public Source	No Other Source	Total	Private Source	Public Source	No Other Source
	Poverty Status (in millions)											
Total	30.2	20.5	2.7	6.9	30.5	21.0	2.5	7.1	30.6	20.3	2.7	7.6
Below 100%	3.4	1.4	0.9	1.1	3.2	1.2	0.9	1.1	3.2	1.2	1.0	1.1
100%–124%	2.1	1.0	0.4	0.7	2.2	1.0	0.4	0.8	2.4	1.1	0.4	0.8
125%–149%	2.3	1.4	0.2	0.7	2.4	1.4	0.2	0.8	2.1	1.2	0.2	0.7
150%–199%	4.6	2.9	0.4	1.3	4.4	3.0	0.3	1.2	4.7	3.0	0.3	1.4
200%–399%	10.8	8.2	0.5	2.1	11.1	8.5	0.5	2.2	10.7	8.0	0.5	2.2
400% or more	6.8	5.6	0.3	1.0	7.2	5.8	0.3	1.1	7.5	5.8	0.3	1.4
	(within poverty categories)											
Total	100.0%	68.0%	9.1%	22.9%	100.0%	68.7%	8.2%	23.1%	100.0%	66.4%	8.7%	24.9%
Below 100%	100.0	40.3	27.4	32.3	100.0	38.1	28.5	33.4	100.0	35.8	29.3	34.9
100%–124%	100.0	47.0	20.9	32.1	100.0	45.1	18.2	36.7	100.0	46.7	17.6	35.7
125%–149%	100.0	59.3	9.4	31.3	100.0	60.2	7.7	32.1	100.0	56.6	10.0	33.5
150%–199%	100.0	63.6	7.7	28.7	100.0	67.2	6.0	26.8	100.0	64.1	6.6	29.3
200%–399%	100.0	75.9	4.5	19.6	100.0	76.5	4.2	19.4	100.0	74.7	4.7	20.6
400% or more	100.0	82.1	4.0	13.9	100.0	81.1	3.8	15.1	100.0	78.5	3.4	18.1
	Gender (in millions)											
Total	30.2	20.5	2.7	6.9	30.5	21.0	2.5	7.1	30.6	20.3	2.7	7.6
Male	12.4	8.8	0.9	2.7	12.7	9.1	0.9	2.7	12.7	8.9	0.9	2.9
Female	17.7	11.7	1.8	4.2	17.8	11.9	1.6	4.4	17.9	11.4	1.7	4.7
	(within gender categories)											
Total	100.0%	68.0%	9.1%	22.9%	100.0%	68.7%	8.2%	23.1%	100.0%	66.4%	8.7%	24.9%
Male	100.0	70.9	7.5	21.6	100.0	71.7	7.1	21.3	100.0	70.0	7.3	22.8
Female	100.0	66.0	10.1	23.9	100.0	66.5	9.0	24.5	100.0	63.9	9.7	26.4

Source: Employee Benefit Research Institute analysis of March 1997, 1996, and 1995 Current Population Surveys.
[a]Noninstitutionalized elderly Medicare beneficiaries only.

Table 3
Medicare Beneficiaries[a] with Dual Sources of Coverage by Age and Race, 1994-1996

	1994				1995				1996			
Demographic Category	Total	Private Source	Public Source	No Other Source	Total	Private Source	Public Source	No other Source	Total	Private Source	Public Source	No Other Source
					Age (in millions)							
Total	30.2	20.5	2.7	6.9	30.5	21.0	2.5	7.1	30.6	20.3	2.7	7.6
65–69	9.0	6.3	0.9	1.9	9.1	6.5	0.7	1.9	8.7	5.9	0.7	2.1
70–74	8.3	5.8	0.8	1.7	8.3	5.9	0.7	1.7	8.3	5.7	0.7	1.9
75–79	6.0	4.2	0.5	1.4	6.4	4.5	0.4	1.5	6.6	4.4	0.6	1.6
80–84	4.0	2.5	0.4	1.1	4.0	2.6	0.3	1.1	4.1	2.8	0.3	1.1
85 and over	2.8	1.7	0.3	0.8	2.7	1.5	0.3	0.9	2.8	1.6	0.3	0.9
					(within age categories)							
Total	100.0%	68.0%	9.1%	22.9%	100.0%	68.7%	8.2%	23.1%	100.0%	66.4%	8.7%	24.9%
65–69	100.0	69.7	9.6	20.7	100.0	71.3	7.8	20.9	100.0	68.1	8.1	23.8
70–74	100.0	70.1	9.0	20.9	100.0	70.4	8.9	20.7	100.0	68.2	8.9	22.9
75–79	100.0	69.4	7.5	23.1	100.0	70.1	7.0	22.8	100.0	66.5	8.7	24.9
80–84	100.0	63.3	9.4	27.3	100.0	65.2	7.7	27.0	100.0	66.5	7.8	25.7
85 and over	100.0	60.1	10.2	29.7	100.0	56.1	10.6	33.3	100.0	56.1	11.1	32.8
					Race (in millions)							
Total	30.2	20.5	2.7	6.9	30.5	21.0	2.5	7.1	30.6	20.3	2.7	7.6
White	26.0	18.9	1.6	5.4	26.3	19.2	1.5	5.6	26.2	18.7	1.6	5.9
Black	2.4	1.0	0.5	0.9	2.3	1.0	0.4	0.9	2.4	1.0	0.5	0.9
Hispanic	1.3	0.4	0.4	0.5	1.3	0.5	0.4	0.5	1.4	0.4	0.4	0.5
Other	0.5	0.2	0.2	0.1	0.6	0.3	0.2	0.1	0.7	0.3	0.2	0.2
					(within race categories)							
Total	100.0%	68.0%	9.1%	22.9%	100.0%	68.7%	8.2%	23.1%	100.0%	66.4%	8.7%	24.9%
White	100.0	73.0	6.3	20.7	100.0	73.2	5.5	21.2	100.0	71.4	6.0	22.7
Black	100.0	40.3	21.2	38.5	100.0	42.5	19.4	38.0	100.0	40.6	19.3	40.0
Hispanic	100.0	30.1	31.0	38.9	100.0	34.1	30.1	35.8	100.0	28.2	32.6	39.2
Other	100.0	43.4	32.8	23.8	100.0	47.2	29.9	22.8	100.0	42.9	27.7	29.4

Source: Employee Benefit Research Institute analysis of March 1997, 1996, and 1995 Current Population Surveys.
[a]Noninstitutionalized elderly Medicare beneficiaries only.

Demographic Analysis of Beneficiaries

The distribution of noninstitutionalized elderly Medicare beneficiaries with dual sources of health care coverage varies across important demographic characteristics. Poverty status, gender, age, and race seem to have a particular influence on Medicare beneficiaries' likelihood of not having an additional source of coverage. The remainder of this section examines the differences among the beneficiaries with these characteristics.

Poverty Status

The percentage of Medicare beneficiaries in each poverty status category without dual sources of coverage increased from 1994 to 1996. As income increased, the percentage of beneficiaries in each poverty status category without dual coverage decreased almost uniformly. The exception was for a small increase among those just above the poverty level, relative to those below the poverty level in 1995 and 1996 (table 2).

Gender

Both male and female Medicare beneficiaries experienced an increased likelihood of not having additional sources of coverage from 1994 to 1996. However, female beneficiaries were more likely than males to lack additional coverage, and the gender gap widened during this period. In 1994, 23.9 percent of females and 21.6 percent of males did not have dual sources of coverage, compared with 26.4 percent of females and 22.8 percent of males in 1996 (table 2).

Age

The percentage of beneficiaries without dual sources of coverage increased with age. Among those ages 65–69, 23.8 percent were without an additional source of coverage in 1996, while among beneficiaries ages 85 and older 32.8 percent had no additional coverage (table 3). All age groups experienced an increase in the percentage of beneficiaries without an additional source of coverage from 1994 to 1996.

Race

Larger percentages of black and Hispanic beneficiaries lacked dual sources of coverage (40.0 percent and 39.2 percent) than white and other beneficiaries (22.7 percent and 29.4 percent, respectively) in 1996 (table 3). Even though all race categories experienced an increase in the percentage of beneficiaries without additional coverage from 1994 to 1996, the increase was larger for both white and other beneficiaries than for black or Hispanic beneficiaries.

Discussion

The number and percentage of noninstitutionalized elderly Medicare beneficiaries without an additional source of health care coverage increased across all demographic categories from 1994 to 1996. However, poorer, older, female, and black or Hispanic beneficiaries were more likely than other groups not to have had dual sources of coverage.

An important aspect of this increase was the decrease in employment-based coverage for these elderly beneficiaries. This trend is likely to continue because more and more employers are scaling back or even dropping their retiree health plans. Another source of the decline was the inclusion in the Medicare program of health maintenance organizations (HMOs) that offer supplemental benefits, eliminating the need for Medigap coverage. However, some HMOs that serve Medicare beneficiaries have cut back on these additional benefits.[6] If this trend continues, Medicare HMO beneficiaries could be left without protection for services not covered by Medicare.

When Congress addresses Medicare again, the level of benefits offered by the program is certain to be discussed. The decline in coverage of Medicare benefits should be of concern to policymakers when they consider additional potential cutbacks in Medicare benefits. Current and future retirees will need to take into account the potentially dramatic increases in health care costs they may face in retirement as a consequence of possible further benefit reductions in Medicare by Congress, cutbacks in employment-based retiree health programs, HMOs' reductions in supplemental benefits, and the increases in Medigap premiums. However, those most likely to be hit the hardest are the poor, the very old, females, and minorities—those least likely to be able to prepare for any increased cost of health care during retirement.

Endnotes

[1] *The most significant change, the Medicare+Choice program, will give beneficiaries an expanded choice of plans. Before the introduction of this program, Medicare beneficiaries received their benefits through the traditional fee-for-service system and later through HMOs and point-of-service (POS) plans that were an outgrowth of HMOs. Under this new program, beneficiaries will have access to preferred provider organizations (PPOs), provider-sponsored organizations (PSOs), medical savings accounts (MSAs), and private indemnity plans in addition to the existing HMOs and POS plans. However, all beneficiaries may elect to stay in the traditional fee-for-service system.*

[2] *Part A is financed through the mandatory Hospital Insurance payroll tax (1.45 percent on the employee and employer with no limit on wages and salaries) and covers hospital care, limited nursing home care, home health visits, and hospice care. The trust fund was created as a result of more taxes coming in than going out in Part A expenditures through 1994. However, since 1994 the trust fund balance has been declining, and it is expected to be depleted by 2009. Medicare Part B is financed by participant premiums and general tax revenues and covers physician services, rural health clinic visits, and related physician supplies. For further details on Medicare and Medicare reform, see Paul Fronstin and Craig Copeland, "Medicare on Life Support: Will It Survive?"* EBRI Issue Brief *no. 189 (Employee Benefit Research Institute, September 1997).*

[3] *Medigap policies provide varying levels of supplemental coverage. Regulations for the standardization of Medigap policies limit the number of policy types available to 10, labeled A through J. Policy A covers a basic benefit package, while the other nine include additional benefits. See Employee Benefit Research Institute,* EBRI Databook on Employee Benefits, *Fourth Edition (Washington, DC: Employee Benefit Research Institute, 1997) for more information on Medigap policy types.*

[4] *Approximately 12 percent of Medicare beneficiaries were in HMOs in 1996. However, HMO enrollees could enroll either individually or through an employment-based arrangement. A limitation of the CPS is its inability to identify Medicare HMO enrollees. Consequently, of those 25 percent with no other source of coverage, at most 50 percent could have the supplemental benefits that Medicare HMOs offer. However, this percentage is most likely significantly smaller, because many employers have been shifting retirees to HMOs to control the costs of their retiree health programs.*

[5] *Other private sources include individually purchased Medigap coverage, while public sources include Medicaid and the Civilian Health and Medical Program of the Uniformed Services (CHAMPUS) and the Civilian Health and Medical Program of the Veterans Administration (CHAMPVA).*

[6] *Medicare Payment Advisory Commission, "Medicare-Risk Contracts Offering Additional Benefits in Their Basic Option Package" (Washington, DC: Medicare Payment Advisory Commission, 1998).*

Recent Public Opinion Polls on Social Security

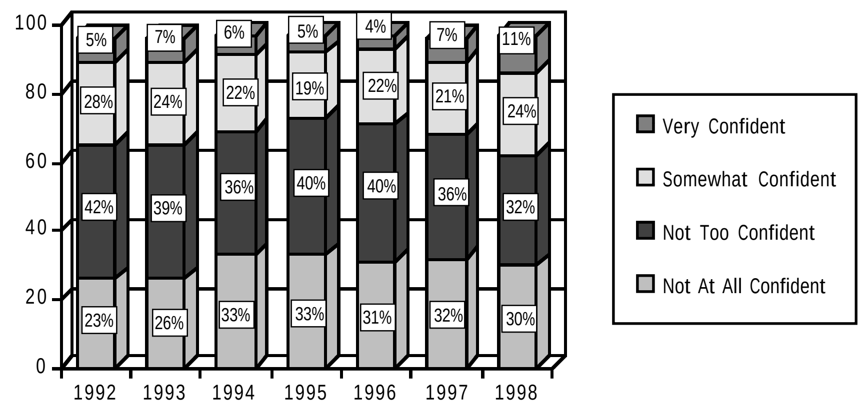
By Amy Upston, EBRI

Introduction

Faced with a looming deficit in the Social Security system, policymakers are once again considering major changes to the largest entitlement program in the federal government. The Social Security Administration estimates that, starting in 2013, the amount paid out in Social Security benefits will begin to exceed the amount collected in tax revenues. However, the trust fund will be able to cover benefits using past surpluses until 2032. Starting in 2032, if the system remains unchanged, it is projected to be able to cover only 73 percent of its annual expenses.[1]

In recent years, many surveys have been conducted to assess the public's attitudes toward Social Security reform. One of them is the eighth annual Retirement Confidence Survey (RCS), sponsored by the Employee Benefit Research Institute, the American Savings Education Council, and Matthew Greenwald and Associates. This article places the RCS findings in the context of other survey work in order to summarize what has become a sizable body of recent public opinion data. While the surveys vary in the types of questions asked, the population surveyed, and occasionally the responses received, they include several common themes.

Chart 1
Confidence That Social Security Will Continue to Provide Benefits of Value Equal to Today's Benefits



Source: Employee Benefit Research Institute, American Savings Education Council, and Mathew Greenwald & Associates, 1998 Retirement Confidence Survey.

Confidence Lacking

The 1998 RCS found that Americans are not confident that the Social Security system will continue to provide future benefits at least equal in value to those available today. Only 11 percent of Americans (both workers and retirees) were very confident that Social Security will continue to provide benefits at least equal in value to the benefits provided today; 24 percent were somewhat confident; 32 percent were not too confident; and 30 percent were not at all confident.

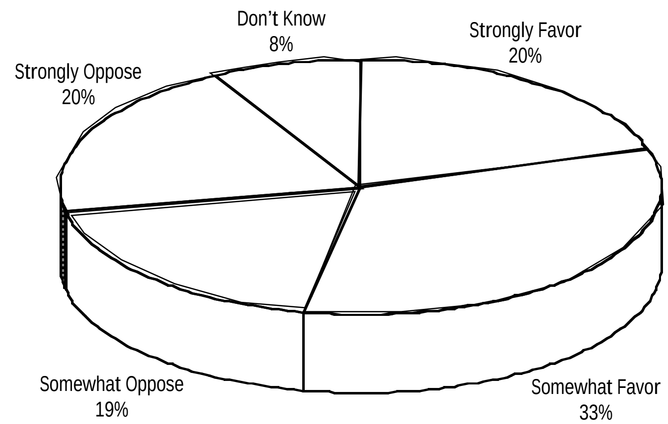
Workers are less confident than retirees. While 43 percent of workers are not at all confident that Social Security benefits will remain at the current level, only 11 percent of today's retirees feel that way. Furthermore, 21 percent of workers expect to receive nothing from Social Security in retirement, and the younger the workers are, the more likely they are to feel this way.[2]

Among all Americans, confidence in what Social Security will continue to provide in the future changed little over the period 1992–1998 (chart 1). In 1992, 33 percent of Americans were confident that benefit levels would be maintained and 65 percent were not confident; in 1998, these figures were 35 percent and 62 percent, respectively.

These findings appear to be consistent with other surveys conducted in the past four years. The Social Security and Medicare Anniversary Study, conducted in 1996 for AARP, also found a confidence level of 35 percent,[3] and the Wirthlin Group[4] found a confidence level of 30 percent in 1995.

The Public Perceptions About Social Security Survey, conducted by Princeton Survey Research Associates,[5] found further evidence of a lack of confidence: 55 percent of respondents said they believed that Social Security was headed for major trouble, and 29 percent felt that the system was headed for minor trouble. Only 10 percent of the respondents in the Princeton

Chart 2
1998 Retirement Confidence Survey Proposal to Allow Individuals to Invest Some of Their Money in Individual Accounts



Source: Employee Benefit Research Institute, American Savings Education Council, and Mathew Greenwald & Associates, 1998 Retirement Confidence Survey.

Survey Research Associates study described Social Security as secure and solid.

Workers' low expectations of the role that Social Security will play in their retirement may partly reflect a lack of confidence that today's benefit levels will be maintained. Such feelings are possibly exacerbated by what appears to be widespread underestimation of current benefits levels. Respondents to the 1998 RCS were far more likely to underestimate today's benefit levels than to overestimate them. In 1997, the maximum monthly amount that could be received by Social Security beneficiaries who retired at the normal retirement age was $1,342. Yet 54 percent of workers and 36 percent of retirees believed this amount would be under $1,000, whereas only 16 percent of workers and 20 percent of retirees believed the amount would exceed $1,500.

Another contributing factor may simply be confusion and/or misinformation about what would happen if the Social Security trust funds were to reach a zero balance. Thirty percent of all Americans, and 35 percent of current workers, erroneously believe that trust fund "exhaustion" means that the system will be completely broke and unable to pay any benefits. In fact, current payroll taxes would assure that substantial Social Security benefits would continue, even if no changes were made to the program. The survey indicates that many Americans do not fully understand how the current Social Security system functions.

Support for Social Security

Despite Americans' low levels of confidence in Social Security, polls indicate widespread support for the program. A 1997 survey conducted for *USA Today* showed that 69 percent of Americans support it.[6] In fact, support for Social Security was higher than for any other government program mentioned in the survey, including the armed services, Medicare, and public schools.

Given that today's policymakers are pressured to contain or reduce government spending, Americans' willingness to increase Social Security taxes rather than have benefits cut may be the ultimate expression of support for the program. When the 1998 RCS asked respondents to choose between increasing taxes or cutting benefits, 63 percent said that they favored increasing taxes and only 32 percent would cut benefits for retirees.[7]

The 1998 RCS also found that 25 percent of respondents were in favor of increasing the existing payroll tax on workers to make Social Security actuarially sound. Thirteen percent were in favor of cutting benefits for all future recipients in order to fix Social Security.

Basic Reforms Draw Support

Ideas for solving Social Security's long-range shortfall have ranged from traditional reforms—such as raising taxes, increasing the retirement age, and lowering the automatic cost-of-living benefit increases—to more fundamental proposals. Most ideas for Social Security reform have received little backing, but two fundamental reforms have appeared to draw a good deal of support. One proposal is to allow individuals to invest a portion of their Social Security taxes in the private market using individual accounts (referred to as Social Security "privatization"). The other is to "means-test" Social Security in order to reduce or eliminate benefits for higher-income retirees.

A substantial percentage of Americans have been found to support some form of privatization, although evidence of majority support has varied considerably across public opinion surveys and seems to depend largely on how questions are phrased. Fifty-three percent of respondents to the 1998 RCS were in favor of allowing individuals to invest *some* of their money in the private market, while a minority of 39 percent opposed the idea (chart 2).[8] Again, there are differences between workers and retirees on this issue: 61 percent of current workers are in favor of partial privatization, compared with 40 percent of retirees (27 percent of retirees strongly oppose the idea, compared with 16 percent of workers). The Public Opinion Strategies poll conducted on behalf of the 1996 Cato Project on Social Security Privatization also found majority support for privatization. Cato gave individuals a description of a privatized system, and then asked if they favored or opposed privatization.[9] Sixty-nine percent of the respondents were in favor of privatization, and 12 percent opposed it. The 1996 Social Security and Medicare in the 21st Century survey determined that majority support was even greater among a sample of corporate benefit professionals.[10] Eighty percent of these respondents were in favor of privatization, while only 9 percent opposed it.[11]

Such majority support for allowing individuals to invest a portion of their Social Security taxes has not been consistent across surveys, especially when risk factors are incorporated into the questions. A 1997 NBC/Wall Street Journal poll informed individuals that, with individual accounts, benefits would depend on the stock market. Then they asked if people were willing to take the chance on increased risk in return for higher rates of return.[12] Only 37 percent responded in favor of taking that risk, while 57 percent felt the risk was too great.[13] In addition, Americans Discuss Social Security has found that Americans are equally divided on their opinions of individual accounts.[14]

The second proposed fundamental change to Social Security, and one that seems to be drawing less ambiguous support than individual accounts, is decreasing or eliminating benefits for high-income retirees (means-testing). Fifty-four percent of respondents to the 1998 RCS favored cutting future benefit payments to retirees who earn over $50,000 a year. In addition, 57 percent said that they would favor fully taxing all Social Security benefits of retirees who earn over $50,000 annually.

Other studies confirm general support for means-testing. According to a Third Millenium poll, 51 percent of respondents ages 18–34 supported taxing 100 percent of the benefits of upper-middle class Social Security recipients, and 41 percent opposed this idea.[15] The Cato poll findings were even stronger. More than three-quarters of its respondents felt that Social Security should be means-tested. An additional survey conducted by *Time*, *CNN*, and the *Washington Post* in 1997[16] found that 64 percent of respondents were in favor of reducing benefits to upper-income retirees in the future.[17]

Implications

Despite some variation in findings, several conclusions can be drawn from a comparison of these surveys. Americans appear to have a pessimistic attitude toward Social Security. This is reflected in their low level of confidence in the system and their underestimation of today's benefit levels. Nevertheless, the Social Security program has widespread support. In fact, support is so strong that if forced to choose between the unpopular alternatives of cutting benefits or paying more taxes for Social Security, Americans seem willing to pay more taxes.

Most reforms to Social Security have been met with little support on their own (i.e., when not compared with another unpopular choice), with the exception of more fundamental approaches such as privatization and means-testing. Means-testing higher-income retirees' benefits and (depending on the survey) Social Security privatization draw majority support.

One tentative interpretation is that Americans more strongly support reforms that they believe will obviate the need for tax increases or benefit cuts for the majority of Americans. For example, earning higher returns on existing Social Security contributions through private investment of individual accounts could raise the amount of program funds available for paying benefits. Similarly, reducing or eliminating benefits for higher-income retirees would increase the program funds available for paying other beneficiaries without raising taxes. This interpretation may explain why majority support for fundamental reform often disappears when it is suggested that privatization may involve risk (implying benefit losses).

However, even when the element of risk is introduced into survey questions about privatization, sizable support remains. An alternative and possibly complementary interpretation of the support for fundamental reforms found by the surveys discussed above is that the public wants a Social Security program but not one that is based (or at least not exclusively based) on the social insurance principles that underlie today's system. Rather, because of perceived fiscal constraints, the public may support a more targeted and individual approach to Social Security. The desire of a significant portion of Americans to invest some of their own contributions indicates a willingness to place some risk on the individual, and support for benefit reduction or elimination for higher-income retirees suggests the desire to target benefits to the most needy.

Conclusion

The support for fundamental reforms that is indicated by these surveys may be based on the public's belief that these options would obviate the painful necessity of benefit reductions and tax increases for the majority of Americans. Or it may point to Americans' willingness to shift away from the social insurance approach to Social Security in response to perceived fiscal constraints. Possibly both explanations are involved. These are issues to explore through additional survey work and to keep in mind as the public dialogue about Social Security reform continues.

Endnotes

[1] *Board of Trustees of the Federal Old-Age and Survivors Insurance and Disability Insurance Trust Funds,* 1998 Annual Reports *(Washington, DC: Board of Trustees of the Federal Old-Age and Survivors Insurance and Disability Insurance Trust Funds, 1998).*

[2] *Including 44 percent of Generation X young adults (born in 1965 or later), and 24 percent of younger baby boomers (born between 1954 and 1964).*

[3] *DYG, Inc.,* Social Security and Medicare: An Ongoing Study of Public Values and Attitudes, *survey conducted for the American Association of Retired Persons (Washington, DC: American Association of Retired Persons, Fall 1996).*

[4] *Wirthlin Group,* A National Study Measuring Sentiment Towards the Balanced Budget Amendment, *survey conducted for American Association of Retired Persons (Washington, DC: American Association of Retired Persons, January 1995).*

[5] *Princeton Survey Research Associates,* Public Perceptions About Social Security, *survey conducted for Americans Discuss Social Security (Washington, DC: Americans Discuss Social Security, April 1998).*

[6] *Hart/Teeter, survey conducted by the Council for Excellence in Government, as cited in USA Today, 25 August 1997: A1.*

[7] *Employee Benefit Research Institute, Mathew Greenwald and Associates, and the American Savings Education Council, 1998* Retirement Confidence Survey *(Washington, DC: Employee Benefit Research Institute, 1998).*

[8] *The question asked: "Currently, all Social Security taxes in excess of those needed to pay current benefits are invested by the government in government bonds. Some people have proposed that individuals be allowed to decide how some of the money they pay in Social Security taxes is invested. Upon retirement, individuals would receive a reduced guaranteed Social Security payment but they would also receive income from the investments they chose. The total of these two sources could be higher than the guaranteed benefits if the individual's investments did well; or lower, if the individual's investments did not do well. How do you feel about this proposal?"*

[9] Public Opinion Strategies, *survey conducted by for the Cato Project on Social Security Privatization (Washington, DC: Cato Institute, 1996).*

[10] *Corporate Benefits Institute,* Social Security and Medicare in the 21st Century, *survey (Brookfield, WI: 1996).*

[11] *The question asked: "Would you favor or oppose privatizing the Social Security system (i.e., directing some portion of Social Security taxes into government-held, self-directed individual accounts with investment choices such as equity index funds)?"*

[12] *NBC News/Wall Street Journal Survey, January 1997 as cited in John C. Rother and William E. Wright, "Social Security Views of*

Adult Americans," paper presented at 1997 Pension Research Council Symposium, May 12 and 13, 1997.

[13] *The question asked: "There is a proposal that would allow people to invest some of their Social Security payroll contributions in the stock market. This change means that when people retire, their benefits could either be higher or lower than expected, depending on the stock market's performance. Thinking about the possibility of investing some of your Social Security payroll contributions in the stock market, which one of the following statements would you say best describes your opinion? Statement A: The risk of losing from investing in the stock market outweighs the potential of higher returns from investing in the stock market. Statement B: The potential of higher returns from investing in the stock market outweighs the risk of losing money in the stock market."*

[14] *Carolyn Lukensmeyer, speech on "Americans Discuss Social Security's 10-City Teleconference and 5-City Citizen Forums," sponsored by Retirement Security Alliance, Washington, DC, July 7, 1998.*

[15] *Luntz Research Companies and Mark A. Siegel and Associates,* Social Security: The Credibility Gap, *survey conducted for Third Millenium (New York, NY: Third Millennium, 1994).*

[16] *Washington Post survey, March 1997 as cited in Lawrence R. Jacobs and Robert Y. Shapiro, "Myths and Misunderstanding About Public Opinion Toward Social Security: Knowledge, Support, and Reformism," paper presented at National Academy of Social Insurance 10th Annual Conference, Framing the Social Security Debate: Values, Politics, and Economics, January 29 and 30, 1998.*

[17] *Although individuals making between $20,000 and $50,000 were the most likely to support this proposal, individuals with the highest earnings were more likely to support it than those with low-income earnings.*

Washington Update

by Bill Pierron, EBRI

Congressional Activity

At this writing (mid-September), considerable uncertainty surrounds the budget process, the congressional schedule, the possibility of impeachment proceedings, and the prospects for any benefits-related legislation to be enacted in the final days of the 105th Congress. Owing to this uncertainty, this month's report will focus primarily on regulatory and legal matters. In November we will discuss what has been accomplished legislatively and what may be on the agenda for the 106th Congress. In December we will discuss the legislative outlook in light of the election results and how the new faces and new committee assignments on Capitol Hill may influence the debates over various benefits issues.

ERISA Preempts Arkansas Patients' Rights Statute

The U.S. Court of Appeals for the Eighth Circuit has ruled that the Arkansas Patient Protection Act is entirely preempted by the Employee Retirement Income Security Act of 1974 (ERISA). [*Prudential Insurance Co. of America v. National Park Medical Center Inc.,* 8th Cir., 9/2/98] The act gave patients the right to see their health care provider of choice, as long as that provider was licensed by the state. In essence, the law prohibited health insurers from applying typical management techniques used in managed care plans to control the utilization of health provider services. The statute applied to insurance companies, hospital and medical service corporations, health maintenance organzations (HMOs), preferred provider organizations, physician-hospital organizations, third-party benefit plan administrators, and prescription benefit management companies. Although the law specifically excluded self-funded plans exempt from state regulation under ERISA, the court determined that the express reference to employee benefit plans and ERISA was enough to bring the entire act under ERISA's reach. And, because the law was not insurance regulation, it could not stand under ERISA's "savings" clause. In reaching its decision, the court stated that, although there is "concern about the scope of ERISA preemption," it is for Congress to deal with ERISA in light of insurance practices and the debate over managed care reform.

As this report was going to press, a U.S. District Court in Texas announced a decision upholding a Texas law that allows damage suits against health plans under state law, finding that it is not preempted by ERISA. The decision is likely to be appealed; we will discuss it more fully in the context of other ERISA-related court decisions in upcoming editions of *Washington Update.*

IRS Issues Roth IRA Proposed Regs

The Internal Revenue Service (IRS) has issued comprehensive proposed regulations (63 Fed. Reg. 46937) dealing with the changes made to Roth IRAs under the IRS Restructuring and Reform Act of 1998. The proposed regulations affect individuals establishing Roth IRAs, beneficiaries under Roth IRAs, and trustees, custodians, or issuers of Roth IRAs. Topics dealt with include conversions, contributions, and distributions. The IRS has called for public comments and will hold a Dec. 10 hearing on the proposed regulations. Written comments should be directed to: CC:DOM:CORP:R (REG-115393-98), Room 5226, Internal Revenue Service, POB 7604, Ben Franklin Station, Washington DC 20044.

PWBA Proposes New Health Claims Rules

The Department of Labor's (DOL) Pension and Welfare Benefits Administration (PWBA) has issued proposed regulations (63 Fed. Reg. 48390) governing health and disability plan claims procedures under ERISA. The regulations would shorten the maximum time allowable for claims processing, requiring health plans to notify a participant within 72 hours whether coverage would be provided for "urgent" care. For nonurgent care, plans would have 15 days to notify participants. Participants would have 180 days in which to appeal decisions. Written comments are due by Nov. 9 and should be submitted to the Pension and Welfare Benefits Administration, Office of Regulations and Interpretations, Room N-5669, 200 Constitution Ave., NW, Washington, DC 20210. Attention: "Benefit Claims Regulation."

PWBA to Issue "Soft Dollar" Guidance

PWBA is soon expected to publish guidance on soft dollar transactions. Under the Securities and Exchange Act sec. 28(e), investment advisers may accept "soft dollars," or rebates, on trading commissions they direct to a brokerage, provided the money is used to help pay for research and brokerage services. Other so-called "non-research" uses of soft dollars are permitted so long as they are disclosed to the client, such as a pension fund or mutual fund, and the client gives consent. This guidance is intended to clarify various issues relating to fiduciary responsibility under ERISA and is the result of hearings held over the past year by DOL's ERISA Advisory Council.

PWBA Issues Proposed SPD Regs

The PWBA has released proposed regulations (63 Fed. Reg. 48376) that would revise the content requirements for summary plan descriptions (SPDs). SPDs would be required to include more comprehensive information for group health plans, including information on HMOs participating in a benefit plan. The proposed regulations would also affect pension and welfare plans and would impose new disclosure obligations regarding claims and appeals procedures, an employer's right to amend or terminate a plan, participants' rights under the Consolidated Omnibus Budget Reconciliation Act of 1985, and Qualified Domestic Relations Order and Qualified Medical Child Support Order determinations. The proposed regulations also revise the model statements regarding Pension Benefit Guaranty Corporation insurance and ERISA rights. Comments may be directed to the Pension and Welfare Benefits Administration, Office of Regulations and Interpretations, Room N-5669, 200 Constitution Avenue, NW, Washington, DC 20210, Attention: "Proposed SPD Content Regulations."

SSA Requests Comments on Information Collection

The Social Security Administration (SSA) has called for public comments (63 Fed. Reg. 48542) on eight information collection packages that are being revised. Among them are the Modified Benefits Formula Questionnaire, the Report of Continuing Disability Interview, the Application for Survivors Benefits, and the Reconsideration Disability Report. Comments should address whether the packages enhance the quality, utility, and clarity of the data to be collected, and whether they minimize the burdens on those who must file. Written comments should be submitted to the Social Security Administration, DCFAM, Attn: Frederick W. Brickenkamp, 6401 Security Blvd., 1-A-21 Operations Bldg., Baltimore, MD 21235.

EBRI In Focus

National Summit Final Report Distributed

Copies of the final report on the National Summit on Retirement Savings have recently been distributed to all members of Congress and to state governors. EBRI and the American Savings Education Council, as the private-sector partners in sponsoring the National Summit with the U.S. Department of Labor, are also distributing the final report to the public and to member organizations.

The report is also available on the Internet at www.saversummit.org – click on "The 1998 National Summit" and then on "Final Report on the 1998 National Summit on Retirement Savings."

The National Summit on Retirement Savings was held June 4–5, 1998, in Washington, DC, and brought together national leaders from both political parties, large and small businesses, labor organizations, and numerous groups involved with employee benefits. The Summit's goal was to help determine how best to raise public awareness of the need for retirement savings and to lay the groundwork for the two additional National Summits that will follow in 2001 and 2005.

On several levels, the National Summit was a tremendous success. It certainly raised public awareness of retirement issues by generating hundreds of news media stories about retirement issues, including reports in the national press and on the major TV and radio news networks. It also spawned countless other features and news reports in regional and local media on the importance and techniques of personal savings. It also helped overcome a significant level of skepticism among reporters who covered the event, many of whom expressed respect and admiration for the Summit's substance, content, and lack of media "hype." Four months later, EBRI and ASEC staff are still receiving calls from the news media and policymakers stemming from coverage of the National Summit.

The National Summit also provided the forum for a rare display of bipartisanship in Washington, as it brought together in one room President Clinton, Vice President Gore, and the Republican congressional leadership—including both House Speaker Newt Gingrich and Senate Majority Leader Trent Lott—to focus the nation's attention on retirement financial security. To quote Rep. Harris Fawell (R-IL), the principal author of the law that created the National Summit on Retirement Savings: "We are attacking problems not as Republicans or Democrats, but to say, 'What can I do to help?'"

Similarly, the National Summit represented a unique public-private sector partnership of leading organizations, which brought specialized expertise in retirement savings and experience in delivering educational messages about the need to prepare for retirement.

As the final report reflects, delegates to the National Summit identified various barriers that individuals and employers face in saving for retirement, as well as numerous steps to overcome those barriers that can be taken by the government, employers, workers, the news media, community organizations, schools, and others. By design, the final report lists the delegates' wide range of opinions about barriers and solutions to retirement security; but throughout the report, a theme emerges that retirement education will be a crucial element in any strategy to increase retirement savings.

Now that the first National Summit has been successfully completed, EBRI and ASEC are undertaking efforts to maintain the momentum and initiative that the event helped provide. As a first step toward distilling the "laundry lists" of retirement savings ideas compiled by the final report, EBRI and ASEC recently launched a "Delphi" survey of Summit delegates and other leaders. Involving three or four rounds of feedback, the survey will enable respondents to assess others' comments and prioritize ideas. Ultimately, the survey will help produce a refined list of the delegates' ideas.

In addition, the Choose to Save™ program, a public education program to promote retirement saving and planning in the Washington, DC, metro area, entered a new phase Sept. 1 with increased intensity of media coverage. WJLA-TV/ABC-7 and several Bonneville Broadcasting radio stations will again lead the media portion of the campaign, which will include news segments and public service ads. Fidelity Investments will again underwrite the television and radio campaign. In addition, AP Radio, a network with over 70 news stations nationwide, is broadcasting Choose to Save™ public service announcements on an ongoing basis, with over 25 broadcasts every day.

And in 1999, ASEC will host a "one-year-out" event for Summit delegates and 1998-99 ASEC Charter-through-Contributing Partners. Drawing on the concepts originating from the Summit, participants will review progress in promoting national savings and discuss the objectives identified by the Delphi survey. In conjunction with this event, the upcoming 1999 Retirement Confidence Survey and special components also will be released.

Collectively, these events and programs have dramatically increased both the visibility and responsibility of the work performed by EBRI and ASEC. They also have provided the opportunity to communicate nationally and even internationally about the issues and importance of retirement security.

20th Anniversary: A Great Success

EBRI celebrated its 20th anniversary Monday, Sept. 14, with an evening of dining and entertainment at the Waldorf-Astoria in New York. Attended by approximately 500 EBRI members and their guests, the event raised more than $500,000 for the Fellows Program and a further $50,000 for the Lillywhite Award program. Our thanks to all who participated and to all who have provided support over our first 20 years to further the Institute's mission.

EBRI Survey Part of CBC Panel

EBRI president and CEO, Dallas Salisbury presented results of the Retirement Confidence Survey at the Congressional Black Caucus (CBC) Annual Legislative Meeting, held Sept. 17 in Washington, DC. The session, *Planning for the Future: Why Retirement Savings Are Important for African Americans*, was hosted by Rep. Donald Payne (D-NJ), CBC chairman and cosponsor of the Savings Are Vital for Everyone's Retirement (SAVER) Act with Rep. Harris Fawell (R-IL), the law that created the National Summit on Retirement Savings. Rep. Payne indicated that he would push to get the issue of retirement security on the CBC's legislative agenda. For more information, contact Bill Pierron at 202/775-6353 or pierron@ebri.org.

EBRI-ERF Consumer Health Education Council

EBRI-ERF is in the process of forming a new program called the Consumer Health Education Council (CHEC), and will hold an informational meeting Oct. 28 at EBRI's offices in Washington, DC.

CHEC will be formed to undertake and encourage initiatives aimed at raising public awareness about health care, health benefits in the work place, health insurance, and managed care. CHEC will work to build individual and employer awareness of the basic principles of health care and the promotion of good health. CHEC will be a private, nonpartisan, nonlobbying council of private and public organizations, and will not take positions on specific policy proposals. Any organization seeking additional information about CHEC or that might be interested in being a partner should contact Paul Fronstin at 202/775-6352 or Dallas Salisbury at 202/775-6322. Please contact either one of them if you are interested in attending the Oct. 28 meeting.

Fall '98 and Spring '99 Policy Forums

This coming Dec. 2, EBRI's fall policy forum will focus on the administrative issues surrounding the implementation and operation of an individual-account Social Security system. This policy forum will bring together experts from the Social Security Administration, the financial services industry, and businesses to discuss whether individual accounts are administratively feasible and, if so, what types of constraints administrative factors would impose on account design. For more information, contact Kelly Olsen at 202/775-6330, or olsen@ebri.org.

And next May, EBRI's spring policy forum will examine the impact of severing the link between health insurance and employment, as numerous policymakers and interest groups recommend. The purpose of this policy forum is to examine the link between health insurance and employment, how various federal policies may be putting that link at risk, and what the implications of these polices may be for workers, employers, and the government. For more information, contact Paul Fronstin at 202/775-6352, or fronstin@ebri.org.

New Publications

[*Note: To order publications from the U.S. Government Printing Office (GPO), call (202) 512-1800; to order congressional publications, call (202) 512-2470. To order U.S. General Accounting Office (GAO) publications, call (202) 512-6000; to order from the Congressional Budget Office (CBO), call (202) 226-2809*].

Compensation

American Compensation Association. **Report on the 1997–1998 Total Salary Increase Budget Survey**. ACA members, $55; nonmembers, $75. American Compensation Association, P.O. Box 29312, Phoenix, AZ 85038-9312, (602) 922-2020.

Employee Benefits

Gertner, Marc. **Trustees Handbook: A Basic Text on Labor-Management Employee Benefit Plans**. IFEBP members, $35; nonmembers, $49; + S&H. International Foundation of Employee Benefit Plans, Publications Department, P.O. Box 69, Brookfield, WI 53008-0069, (888) 33-IFEBP, fax (414) 786-8670, e-mail: books@ifebp.org.

International Foundation of Employee Benefit Plans. **Employee Benefit Issues—The Multiemployer Perspective**. IFEBP members, $35; nonmembers, $40; + S&H. International Foundation of Employee Benefit Plans, Publications Department, P.O. Box 69, Brookfield, WI 53008-0069, (888) 33-IFEBP, fax (414) 786-8670, e-mail: books@ifebp.org.

Manin, Mark B., Francesca G. Sciandra, and Linda Frayling. **Flexible Benefits Answer Book**. $118. Panel Publishers, 7201 McKinney Circle, P.O. Box 990, Frederick, MD 21705-9727.

Entitlements

Goodman, John C., and Dorman E. Cordell. **The Nightmare in Our Future: Elderly Entitlements**. $10. National Center for Policy Analysis, 12655 N. Central Expressway, Suite 720, Dallas, TX 75243, (800) 859-1154.

U.S. Congress. House. Committee on Ways and Means. **Green Book: Background Material and Data on Programs within the Jurisdiction of the Committee on Ways and Means**. Order from GPO.

Health Care

Hackey, Robert B. **Rethinking Health Care Policy: The New Politics of State Regulation**. $23.95. Georgetown University Press, P.O. Box 4866, Hampden Station, Baltimore, MD 21211-4866, (800) 246-9606.

National Coalition on Health Care. **A Reality Check: The Public's Changing Views of Our Health Care System**. Free. National Coalition of Health Care, 555 13th Street, NW, Washington, DC 20004, (202) 637-6861.

Sedgwick Noble Lowndes. **COBRA Handbook**. Free. Sedgwick Noble Lowndes, fax John Moreno, (901) 684-4082.

U.S. Congress. House. Committee on Education and the Workforce. **Hearing on H.R. 1415, The Patient Access to Responsible Care Act (PARCA)**. Order from GPO.

U.S. National Center for Health Statistics. **Employer-Sponsored Health Insurance: State and National Estimates.** Order from GPO.

Money Management

Greenwich Associates. **Institutional Equity Investors 1998**. Greenwich Associates, 8 Greenwich Office Park, Greenwich, CT 06831-5195; phone (203) 625-5083 for cost information.

Pension Plans/Retirement

Kaster, Nicholas, et al. **1998 U.S. Master Pension Guide**. $49. CCH Incorporated, Book Order Dept., 4025 West Peterson Ave., Chicago, IL 60646-6085, (800) 248-3248, http://www.cch.com

Moore, Cynthia L. **Public Pension Plans: The State Regulatory Framework**. $50. Bruce Hineman, Executive Director, National Council on Teacher Retirement, P.O. Box 202243, Austin, TX 78720, (512) 335-0055.

Moore, James F., and Olivia S. Mitchell. **Projected Retirement Wealth and Savings Adequacy in the Health and Retirement Study**. WP #98-1. $10. Pension Research Council, University of Pennsylvania, 304 CPC - 3641 Locust Walk, Philadelphia, PA 19104-6218, (215) 898-7620, fax (215) 898-0310.

Pension Benefit Guaranty Corporation. **Pension Insurance Data Book 1997: PBGC Single-Employer Program**. Free. PBGC Data Book, Suite 240, 1200 K Street, NW, Washington, DC. 20005-4026, fax (202) 326-4042.

Watson Wyatt Worldwide. **Accounting for Pensions and Other Postretirement Benefits 1997: Reporting Under FAS 87 and FAS 106 Among the Nation's Largest Companies**. $50. Watson Wyatt, Attn: Andrew Sandor, 6707 Democracy Blvd., Bethesda, MD 20817, (800) 388-9868.

Social Security

Eisner, Robert. **The Great Deficit Scares: The Federal Budget, Trade, and Social Security**. $9.95. Brookings Institution Press, 1775 Massachusetts Avenue, NW, Washington, DC 20036, (800) 552-5450.

Manufacturers Alliance. **The Case for Privatizing Social Security: Managing the Transition and Implications for Industry**. Members, $15; nonmembers, $10. Manufacturers Alliance, 1525 Wilson Boulevard, Suite 900, Arlington, VA 22209-2411, (703) 841-9514.

Shaw, Lois, Diana Zuckerman, and Heidi Hartmann. **The Impact of Social Security Reform on Women**. $10. Institute for Women's Policy Research, 1400 20th Street, NW, Washington, DC 20036, (202) 785-5100.

U.S. Congress. Senate. Committee on Finance. **Social Security and Future Retirees**. Order from GPO.

U.S. Social Security Administration. **Social Security Handbook**. Order from GPO.

GAO Reports

U.S. General Accounting Office. (1) **Aging Issues: Related GAO Reports and Activities in Calendar Years 1995 and 1996**. (2) **Compendium of Budget Accounts: Fiscal Year 1999**. (3) **Health Insurance Standards: New Federal Law Creates Challenges for Consumers, Insurers, Regulators**. (4) **Medicare: Clarification of Provisions Regarding Private Contracts between Physicians and Beneficiaries**. (5) **Medicare: Many HMOs Experience High Rates of Beneficiary Disenrollment**. (6) **Medigap Insurance: Compliance with Federal Standards Has Increased**. (7) **Pension Plans: Status of Labor's Economically Targeted Investments Clearinghouse**. (8) **Social Security: Better Payment Controls for Benefit Reduction Provisions Could Save Millions**. (9) **Social Security Financing: Implications of Government Stock Investing for the Trust Fund,**

the Federal Budget, and the Economy. Order from GAO.

Documents Available on the Internet

1998 Medicare Chart Book
www.hcfa.gov/pubforms/chartbk.htm

1998-1999 Directory of Public Policy Organizations
http://database.townhall.com/heritage/dppo/

Comparing Federal Employee Benefits with Those in the Private Sector
www.cbo.gov/showdoc.cfm?index=821&sequence=0&from=7

Final Report on the 1998 National Summit on Retirement Savings
www.saversummit.org/98report.pdf

Hewitt 401(k) Index
www.hewittassoc.com/resc/resc052.htm

Solving the Global Public Pensions Crisis
www.cato.org/pubs/policy_report/cpr-20n2-6.html

Internet Sites on Savings

American Savings Education Council
www.asec.org/

Business Cycle Indicators: Saving
www.globalexposure.com/11bcilst.html

Financial Facts Tool Kit
www.sec.gov/consumer/toolkit.htm

The National Summit on Retirement Savings
www.SAVERSUMMIT.org/

U.S. Bureau of Economic Analysis
www.bea.doc.gov/

U.S. Pension and Welfare Benefits Administration
www.dol.gov/dol/pwba/

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Notes

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The Employee Benefit Research Institute (EBRI) was founded in 1978. Its mission is to encourage, to contribute to, and to enhance the development of sound employee benefit programs and sound public policy through objective research and education. EBRI is the only private, nonprofit, nonpartisan, Washington, DC-based organization committed exclusively to public policy research and education on economic security and employee benefit issues. EBRI's membership includes a cross-section of pension funds; businesses; trade associations; labor unions; health care providers and insurers; government organizations; and service firms.

What we do

EBRI's work advances knowledge and understanding of employee benefits and their importance to the nation's economy among policymakers, the news media, and the public. It does this by conducting and publishing policy research, analysis, and special reports on employee benefits issues; holding educational briefings for EBRI members, congressional and federal agency staff, and the news media; and sponsoring public opinion surveys on employee benefit issues. **EBRI's Education and Research Fund** (EBRI-ERF) performs the charitable, educational, and scientific functions of the Institute. EBRI-ERF is a tax-exempt organization supported by contributions and grants. **The American Savings Education Council** (ASEC), part of EBRI-ERF, is a coalition of private- and public-sector institutions with the goal of making saving and retirement planning a vital concern of all Americans.

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