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Notes

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Executive Summary:

Retirement Income Security: A Look at Social Security, Employment-Based Retirement Plans, and Health Savings Accounts

- **Threats to secure retirement:** Various factors increasingly suggest that individuals who are trying to plan for a secure retirement face a gathering storm. About 100 participants in the Employee Benefit Research Institute's spring 2005 policy forum examined the different forces at work that threaten economic security in retirement, and heard EBRI researchers and others discuss three topics: Social Security overhaul, 401(k) enrollment and accumulations, and health savings accounts.
- **Retirement health care expenses:** Health care expenses should be considered a key component of any retirement savings plan, forum participants seemed to agree. These often-neglected expenses are likely to be higher than most individuals anticipate and could add 20 percent or more to the amount of preretirement income that workers will need to replace in retirement. Health savings accounts can get workers started, but are not the complete answer, according to a study presented at the forum.
- **Automatic enrollment in 401(k) plans:** Speakers at the forum also agreed on the idea of automatically enrolling all workers who are eligible to participate in 401(k) plans. Automatic enrollment could have a dramatic impact on the amount available for retirement income, especially for low-income workers, according to another study presented at the forum. Forum participants also heard results of a model projecting the amount of wealth that could be accumulated through a lifetime of participating in employment-based 401(k) plans.
- **Social Security split:** Forum participants expressed widely divergent views on President Bush's proposal to restructure Social Security to set up individual accounts within the current program. Some speakers argued for maintaining Social Security as a defined-benefit system, while others said individual accounts are the key to offering workers the opportunity to accumulate more retirement wealth than Social Security will provide. EBRI research presented at the forum explored the effects of several possible changes in Social Security.

■ Retirement Income Security: A Look at Social Security, Employment-Based Retirement Plans, and HSAs

by John A. MacDonald, EBRI

Introduction

The headlines were sobering: The Bush administration had offered a plan to shore up the financially troubled Pension Benefit Guaranty Corporation (PBGC), which guarantees payment of “traditional” pension benefits to 44 million Americans. Major employers said they were straining to meet health and retirement costs for current workers and retirees. And President Bush, in a series of campaign-style appearances, called for the creation of individual accounts within Social Security while repeatedly asserting the 70-year-old federal retirement system was approaching “bankruptcy.”

About a hundred participants in the Employee Benefit Research Institute’s spring policy forum met in Washington on May 5 amid these and other signs that individuals who are trying to plan for a secure retirement face a gathering storm. The forum topic, “Retirement Income Security: A Look at Social Security, Employment-Based Retirement Plans, and Health Savings Accounts,” examined the different forces at work and how they are threatening Americans’ economic security in retirement.

EBRI President Dallas Salisbury said the forum was designed to pull together research that touched on the “total integration of all aspects of financial security.” Before the forum ended, participants appeared to agree on the need to include health care expenses as part of retirement planning, and on the idea of automatically enrolling all workers who are eligible to participate in 401(k) plans. But they expressed widely divergent views in a lively debate on the president’s proposal to restructure Social Security.

Salisbury noted that the federal government’s ability to respond to the financial crises facing these programs is limited by the size of the national debt. For instance, he said, the Government Accountability Office (GAO) and the Congressional Budget Office (CBO) have suggested that if recent tax cuts are extended and made permanent, revenue coming into the government by 2050 could be sufficient only to cover interest on the national debt—and no other government programs.

Those forecasts suggest at least a doubling of current income tax rates over time, Salisbury said. That, in turn, could spark strong interest in the as-yet untried Roth 401(k)—a new type of retirement account employers may begin offering next year. Contributions to the new Roth 401(k) will be made with after-tax dollars, so initially they will not reduce a worker’s tax bill (unlike current 401(k)s). However, the money in a Roth 401(k) will grow tax-free, and all withdrawals after age 59-1/2 will be tax-free (just like in a Roth IRA).

That raises the question, Salisbury said, of whether, starting next year, there will be a massive shift away from existing tax-deferred 401(k) plans and into Roth 401(k)s to “avoid what the CBO and the GAO say are the inevitable future increases in income tax rates.”

Health Care Costs and Retirement Planning

The cost of health care is “well beyond what most individuals have focused on,” said Salisbury, explaining why he believes health care costs should be incorporated into retirement planning. Expanding on the point, Lori Lucas, of Hewitt Associates, said that medical costs may increase the amount of pre-retirement income workers need to replace in retirement by as much as 20 percent.

Joseph Piacentini, chief economist and director of policy and research at the Employee Benefits Security Administration (EBSA) in the U.S. Department of Labor, also described medical costs as one of several wild cards in retirement planning that can throw standard income replacement projection models far off the mark. “What’s the right replacement rate? I don’t know the answer to that, but what I do think is that it’s going up,” Piacentini said. “Whatever the right replacement is today, it’s higher than it was 20 years ago, and it will probably be higher 20 years from now.”

Picking up Salisbury's theme, Mark Iwry, of the Brookings Institution, focused on the linkage between "all of the different moving parts of financial security." "Health care and pensions have completely converged now in many key respects, [and] long-term care is part of that picture," Iwry said.

Paul Fronstin, director of the Health Research and Education Program at EBRI, underscored the point from another angle, noting that Medicare faces a long-term deficit of nearly \$28 trillion—far more than the deficit facing Social Security. Continuing the program as currently structured would require major Medicare payroll tax increases or benefit cuts, he said. "You combine the outlook for Medicare with the outlook for retiree health [coverage] and some people would say we're approaching a 'perfect storm.'"

The current situation calls for a top-to-bottom review of all retirement programs, said Peter McCauley, past president of the International Society of Certified Employee Benefit Specialists. "Let's just not have reform," he said. "Let's have a revolution. Let's have a full review of these programs and their needs."

Still, David C. John, of the Heritage Foundation, injected a note of caution, telling forum participants they should not anticipate a "big-bang" solution—especially for Social Security—to emerge from Congress soon. "This is going to be a process," John said. "People who talk about a one-time fix, 'we're going to fix something in perpetuity,' are full of themselves."

Social Security: Individual Accounts Spark Disagreement

Creating individual accounts within Social Security—as President Bush has proposed—sparked disagreement among forum speakers.

Karen Friedman, public policy director of the Pension Rights Center (PRC), opposed carving up Social Security to create individual accounts. "We really need to keep Social Security as a secure defined-benefit system," she said, "and carving out individual accounts will not in any way address Social Security's long-term funding problems."

Iwry suggested that individual accounts "be handled with great care"—whether in Social Security or health care. As a starting point, Iwry said, individual accounts "should be designed in a way that doesn't unravel or undermine" Social Security or Medicare. Instead of creating individual accounts within Social Security, Iwry called for a "matching approach" that would give individuals incentives to save on top of Social Security.

But John said his first priority in restructuring Social Security would be "to bring benefits that are paid closer to what Social Security can afford to pay." He endorsed individual accounts, which he called "personal retirement accounts." "A PRA is key because it allows someone like my 18-year-old the opportunity to hypothetically do better than she would do under the [current Social Security] promises," he said.

To "rein back" those promises, John supported progressive indexing for Social Security so that future benefits for upper-income workers would grow more slowly than for lower-income workers. "What this means is that people from moderate and upper incomes are going to have to depend much more on IRAs, 401(k)s, and other types of retirement systems," John said. "Social Security simply won't be able to replace the same amount."

As part of progressive indexing, John suggested a study of making 401(k) retirement plans available to all workers (currently, they are a voluntary benefit that is not provided by all employers). "It's not going to be possible for 401(k)s to be limited to only certain companies" if it's assumed that—as part of Social Security planning—all workers have a 401(k), he said. Like some other countries, the United States will have to consider a "mandatory savings incentive position."

Social Security Restructuring Options

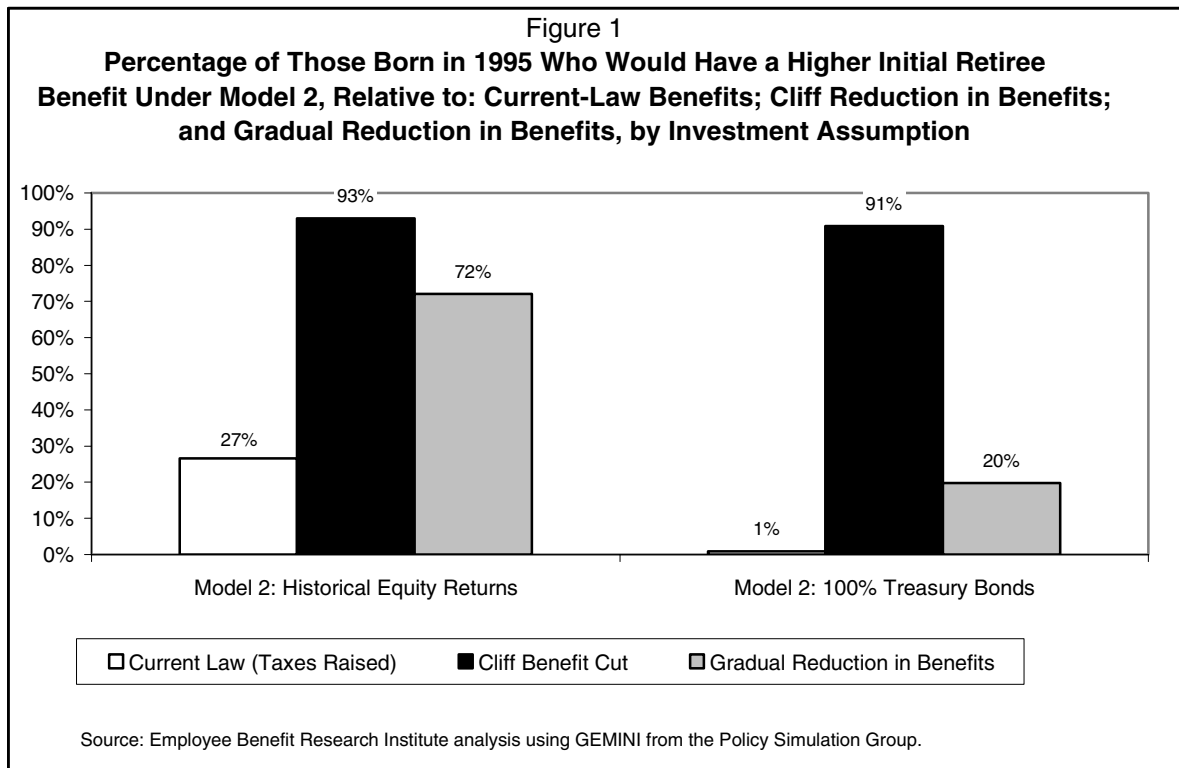
Craig Copeland, director of the EBRI Social Security Reform Evaluation Research Program, discussed the results of his study comparing how the public would be affected by fundamentally different approaches to Social Security restructuring. His analysis showed there would be significant differences in outcomes, depending on when an individual is born and how much he or she earns.

Published in the May 2005 *EBRI Issue Brief*, Copeland's analysis compared "Model 2" individual accounts from the 2001 President's Commission to Strengthen Social Security—the closest detailed proposal to what President Bush had endorsed—with three other options:

- Maintaining benefits at current-law levels by lifting the existing \$90,000 annual wage cap on Social Security taxes.
- Maintaining current-law benefits until the Social Security Trust Fund is exhausted and then cutting benefits sharply to restore the federal retirement program to balance. (The study used the Social Security Trustees' 2004 assumptions, which placed this date at 2042.)
- Gradually reducing current-law benefits to account over time for the program's funding deficit.

Some of the conclusions that could be drawn from this analysis:

- Lower-income individuals are more likely to do better under an individual account plan structured like Model 2 than are high-income individuals relative to the other options.
- Twenty-something-year-olds and younger individuals (born in 1985 and after) will benefit most from reform action now, as opposed to waiting.
- Overall, the success of an individual account type of reform will depend in large part on whether the equity market continues to produce historical rates of return, and on the willingness of policymakers to subject a generation (or generations) of retirees to benefits that are potentially lower than prescribed in current law (Figure 1). Ultimately, not everyone can be better off through changes in the program—no matter how Social Security is changed.



Richard Jackson, of the Global Aging Initiative at the Center for Strategic and International Studies, agreed with Copeland's final point. "In designing a personal account system, some generation has to take a hit," Jackson said. "What this [Copeland's] analysis suggests to me is that there are some real costs to postponing that sacrifice so far into the future."

Asked to elaborate on who should take the "hit," Jackson said, "I think you could design a reform that protects today's elderly and leaves today's 30-year-olds unambiguously better off if baby boomers were willing to step up and make some progressive sacrifice."

New 401(k) Research

What percentage of preretirement income might workers expect their 401(k) plans to replace? Can an individual retirement account (IRA) serve as a substitute for workers who do not have continuous access to a 401(k) plan? What impact would automatic enrollment of new workers in a 401(k) plan have on their replacement rates?

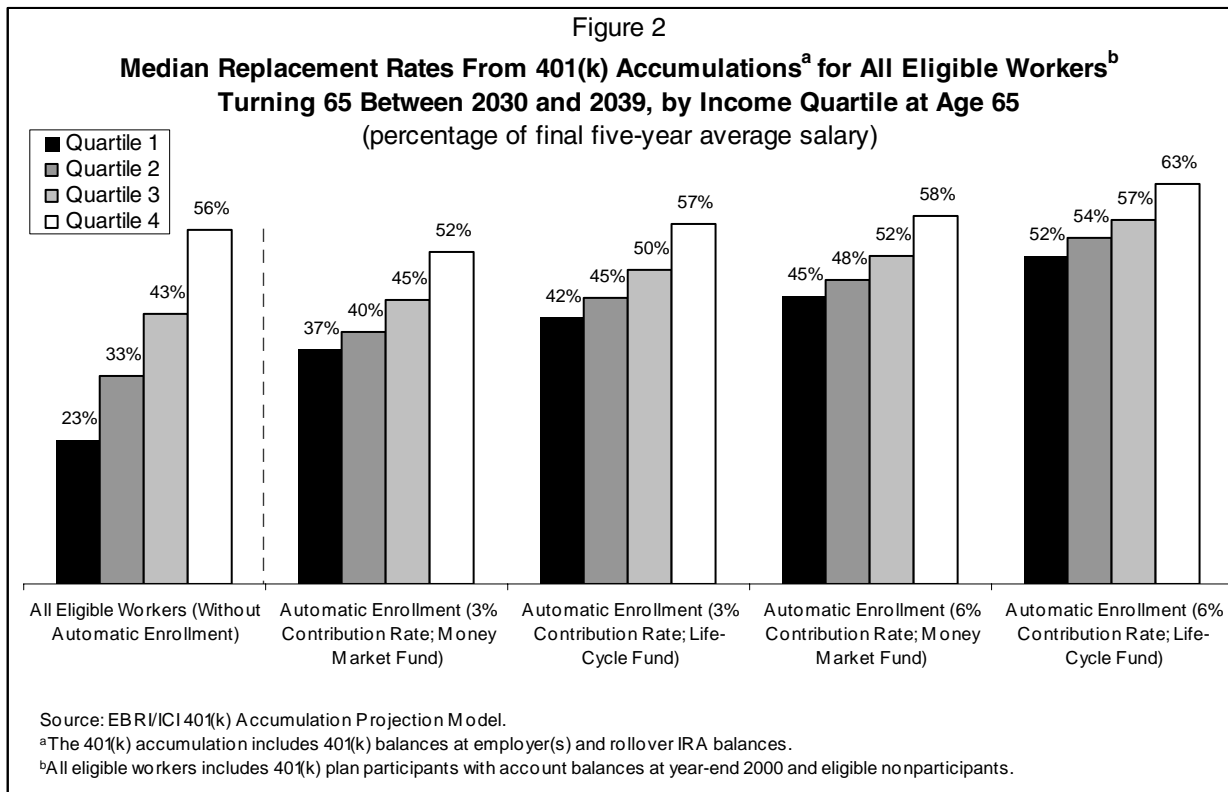
Those are some of the questions Jack VanDerhei, Temple University, and research director of the EBRI Fellows Program, and Sarah Holden, senior economist at the Investment Company Institute, presented in a study that built on their previous joint research on 401(k) plans.

Highlights of their findings (focusing on those currently between ages 26 and 35), subsequently published in the July 2005 *EBRI Issue Brief*:

- A current 401(k) participant who is assumed always to work for employers offering a 401(k) plan can expect 401(k) balances and IRA rollovers for money originating in 401(k) plans to replace a median of between 51 percent (for those in the lowest income quartile) and 67 percent (for those in the highest income quartile) of final five-year average preretirement income.
- Replacement rates fall significantly when individuals find themselves working for an employer that does not offer a 401(k). What happens if these workers decide to save in an IRA instead? Workers in the lowest income quartile who contributed to an IRA would see their replacement rate hold steady at about 51 percent. But workers in the highest income quartile would see their replacement rate decline to about 43 percent because IRA limits prevent them from reaching their potential 401(k) contributions.
- Automatic enrollment in a 401(k) plan could have a dramatic impact on the amount available for retirement income, especially for the lowest-income workers. While automatic enrollment has been demonstrated to increase participation rates dramatically for some groups, there have been lingering concerns that the overall impact on retirement income may be insignificant or even negative. This is due to the low level of default contribution rates and conservative default asset allocations chosen by many plan sponsors as well as the tendency of many employees to remain at those default positions after enrollment.
- Given that the lowest income workers have the lowest participation rates prior to automatic enrollment, they appear to have the most to gain and indeed the median replacement rate is 61 percent higher at retirement for the lowest-income quartile after the introduction of automatic enrollment. These gains do not hold for the highest-income quartile under the assumptions (3 percent of salary contribution rate and a money market fund default investment option) used at the policy forum, since most of these workers already participate in and contribute to the plan at higher than default rates. However, subsequent to the policy forum presentation, the authors expanded the set of assumptions modeled and demonstrated that either doubling the default contribution rate from 3 percent to 6 percent or moving the default asset allocation from a money market fund to a life-cycle fund is sufficient to result in expected gains in median replacement rates for all income quartiles. (See Figure 2.)
- The “catch-up” provision of federal tax law that allows individuals age 50 or older to make additional 401(k) and IRA contributions has virtually no impact on the replacement rates for the lowest-income workers, and affects mainly those at the highest income levels.

A close examination of the role 401(k) plans might play for future retirees is central to understanding how Americans are preparing for retirement. A quarter-century ago, 401(k) plans had just come into existence and defined contribution retirement plans held assets of \$184.5 billion, compared with \$444.4 billion for “traditional” defined benefit retirement plans. By the end of 2004, 401(k) plans had assets of \$2.1 trillion, while defined benefit plan assets were \$1.8 trillion. In addition, IRAs had assets of \$3.5 trillion, funded in recent years in large part from rollover assets from employment-based retirement plans.

This shift in the pension landscape represents a shift in the responsibility to the individual for the planning for financial security in retirement. And while 401(k) plans have great potential or promise, individuals must take the important steps of participating when offered a plan, preserving assets while working and when changing jobs and responsibly spending down assets in retirement.



401(k) Automatic Enrollment Draws Qualified Support

The study’s findings about automatic enrollment of workers in 401(k) plans drew positive, if not universal, support. Some policy forum participants noted that many employers are hesitant to embrace the practice because of regulatory uncertainties.

EBSA’s Piacentini suggested that automatic enrollment could increase the labor costs of employers that sponsor 401(k) plans with the feature, especially if they provide a “match” to whatever their workers contribute. Some employers may offset that higher cost by cutting the amount of their matching contribution, he suggested.

“If auto-enrollment is the way to get people to participate, maybe you don't need as generous matching,” Piacentini said. “Do you really want to be raising your labor cost by providing generous matching to all those folks? I wonder where companies will go as they decide whether or not to adopt auto-enrollment and how that fits with the other design features of their plan,” he said. “I don't think we know where the market's headed yet.”

Lucas, of Hewitt Associates, said employers have shown growing interest in the automatic enrollment in 401(k) plans, but believe they need additional clarification from regulators before moving forward. In a recent Hewitt survey, about half of plan sponsors said that for 2005 they were looking to add automated features, in particular automatic enrollment, to their 401(k) plans.

She noted a recent guidance letter from the Internal Revenue Service (IRS) focused on default contribution rates under automatic enrollment and the appropriateness of using contribution escalation in conjunction with automatic enrollment. While the IRS guidance letter helped raise interest in the concept, she said, retirement plan sponsors remain concerned about their fiduciary responsibility and are looking for more clarification.

“It’s clear that automatic enrollment is an equalizer when it comes to participation rates. Participation rates rise to very high levels among all demographics, even when the default contribution rate is as high as 6 percent and the default investment fund is a balanced fund instead of a stable value fund under automatic enrollment,” Lucas noted. “If people are thinking that saving 3 percent in a stable value fund is going to get them to a good retirement income adequacy outcome, they may be in for a rude awakening.” She advocated the use of more robust defaults in conjunction with automatic enrollment.

Other speakers also questioned the ultimate value of automatic enrollment in conjunction with conservative defaults. “We think that coming up with incentives for automatic enrollment is a good idea,” said PRC’s Friedman, but she pointed out that contribution rates among low-paid workers are relatively low and questioned whether their 401(k)s would be able to generate adequate retirement income. “If we’re moving to an individual account society, even with automatic enrollment, will we have sufficient income in 20 years when we look down the line?” Friedman asked. “I think these raise some big issues.”

Health Savings Accounts

As employers cut back retiree health benefits, can workers planning for retirement offset the loss—at least in part—by contributing to the relatively new tax-sheltered health savings accounts (HSAs)?

Paul Fronstin, director of the EBRI Health Research and Education Program, addressed this question in the forum’s final presentation. His bottom line: HSAs may help cover part of a retiree’s medical costs, but they are not enough by themselves. “We need to look at it as part of a bigger picture of saving for retirement,” Fronstin said. “I don’t think it’s fair just to look at HSAs and whether or not they’ll cover medical expenses, when there are other vehicles we could use to save for retirement.”

As described by Fronstin, HSAs are a unique savings vehicle. As long as an individual has a high-deductible health plan, he or she can establish an HSA and make tax-free contributions to it, he explained. “The money accumulates tax free and withdrawals are also tax-free, as long as the money is withdrawn for qualified medical expenses.”

Figure 3
Savings Needed For Employment-Based Health Insurance Premiums,^a Medicare Part B Premiums, and Maximum Out-of-Pocket Costs for Retirement at Age 65 in 2015, Assuming 4 Percent After-Tax Rate of Return on Investments
 7 Percent Increase in Employment-Based Retiree Health Premiums and Out-of-Pocket Costs

| Age at Death | Retiree Health Premium + Part B Premium | Retiree Health Premium + \$1,500 Maximum Out-of-Pocket + Part B Premium |
|--------------|---|---|
| 80 | \$160,000 | \$230,000 |
| 85 | 223,000 | 321,000 |
| 90 | 296,000 | 426,000 |
| 95 | 381,000 | 548,000 |
| 100 | 477,000 | 687,000 |

Source: EBRI estimates based on various assumptions.
^a Benefits package for the \$2,631 premium was developed by PricewaterhouseCoopers LLP on behalf of the Mellon College Retirement Project. It contains the following benefits in 2002:
 Major Medical Benefit: \$150 annual preventive care benefit, \$250 deductible, 80% coinsurance.
 Outpatient Prescription Drug Benefit: \$50 deductible, 70% coinsurance.
 Maximum out-of-pocket: \$1,500 (medical and prescription drug combined).

As a retirement strategy, Fronstin said, workers could accumulate assets in an HSA (combined with a high-deductible insurance plan) in their preretirement years and then pay for uninsured medical expenses from the HSA once they stopped working. The reason a worker might adopt this approach, he noted, is that only about 12 percent of all employers still offer retiree medical benefits. The number is higher among large employers, Fronstin said, but he does not expect to see a reversal of the “very strong trend” of employers scaling back or eliminating retiree health benefits.

“Future retirees are going to be much more responsible for covering and saving for their medical expenses in retirement,” Fronstin said.

Recent research by Fronstin shows that an individual currently age 55 who lived to age 80 would need to have accumulated \$230,000 (by age 65 in 2015) to pay for out-of-pocket medical costs, including premiums for employment-based health benefits to supplement Medicare. If that same individual contributed the maximum allowed by law to an HSA and never made any withdrawals, the accumulations would total \$48,000 after 10 years of maximum contributions—far below the \$230,000 needed. (See Figures 3 and 4.)

Figure 4
Potential Savings in an HSA, Assuming 5 Percent Rate of Return,
Individual Rolls Over Various Amounts of End-of-Year Account Balance

| Years Contributing to HSA | Percentage of End-of-Year Account Balance Rolled Over | | | | | |
|---|---|---------|----------|----------|----------|----------|
| | 10% | 25% | 50% | 75% | 90% | 100% |
| \$1,000 Annual Contribution/ \$1,000 Deductible, 20% Co-insurance, \$5,100 Out-of-Pocket Maximum in 2005 | | | | | | |
| 10 | \$3,200 | \$3,900 | \$6,100 | \$11,000 | \$15,800 | \$23,700 |
| 20 | 3,200 | 3,900 | 6,200 | 12,700 | 23,600 | 45,600 |
| 30 | 3,200 | 3,900 | 6,200 | 12,900 | 28,700 | 79,000 |
| 40 | 3,200 | 3,900 | 6,200 | 12,900 | 32,800 | 133,400 |
| \$2,650 Annual Contribution/\$2,650 Deductible, 20% Co-insurance, \$5,100 Out-of-Pocket Maximum in 2005 ^a | | | | | | |
| 10 | \$5,800 | \$7,100 | \$10,900 | \$19,400 | \$30,800 | \$48,100 |
| 20 | 6,900 | 8,400 | 13,000 | 25,900 | 52,700 | 120,100 |
| 30 | 8,200 | 10,000 | 15,500 | 32,700 | 78,400 | 248,300 |
| 40 | 10,000 | 12,100 | 18,700 | 39,800 | 107,900 | 474,200 |

Source: Employee Benefit Research Institute.
^a Maximum allowable HSA contribution and out-of-pocket maximum are indexed for inflation.

But the accumulations would be significantly smaller if the individual withdrew money from the account to pay for medical bills *before* retirement, partly due to the reduced capital in the account and because of lost compounding of interest, Fronstin’s analysis showed. He noted there is an annual limit to HSA contributions, and that it is difficult to project how much anyone will need for retirement medical costs because of varying life expectancy. At the same time, employment-based retiree benefits are withering and Medicare is facing a financial shortfall that could prompt a doubling of the program’s payroll tax, a 50 percent cut in benefits, or some combination of the two.

Joseph Antos, of the American Enterprise Institute, responded with a critique of the Medicare program (which he said has made promises that it cannot keep) and a call for a broad structural change in the American health care system. Antos said HSAs are “the latest attempt to find somebody in the health care system ... capable of making a rational decision about the balance between using services and paying for them. We’ve been looking for that person or entity for decades, literally.” He said patients need more information about doctors and hospitals, the cost of medical care and the quality of care they receive, and must realize that “the money they’re spending is in fact their money and it’s real.”

As Fronstin noted in the September 2004 *EBRI Issue Brief*, HSAs are controversial. Proponents think HSAs will encourage individuals to become more astute health care consumers, but critics believe they are merely a new way to shift costs from employers to workers. At the policy forum, Mark Hage, of the National Education Association in Vermont, was an outspoken critic of HSAs, saying he doubted they would achieve one of their key objectives: slowing the growth of health care costs.

“Against a backdrop of declining employer coverage and rising health care costs, America’s working families are desperate for good health plans they can afford. They are justifiably suspicious of the claims made about HSA plans,” Hage said. “Because no matter how much you dress up these plans in the rhetoric of ‘consumer empowerment,’ cost shifting—in the form of higher deductibles, co-insurance, office visit fees, and benefit exclusions—is inherent to their design.”

■ New Publications and Internet Sites

Employee Benefits

Hewitt Associates. *Salaried Employee Benefits Provided by Major U.S. Employers, 2004-2005*. \$500. Hewitt Associates LLC, Attn: Hewitt Information Desk, 100 Half Day Rd., Lincolnshire, IL 60069, (847) 771-2500, infodesk@hewitt.com, www.hewitt.com

International Foundation of Employee Benefit Plans. *Employee Benefit Issues: The Multiemployer Perspective, Volume 46, 2004*. IFEBP members, \$35; nonmembers, \$50 + S&H. International Foundation of Employee Benefit Plans, Publications Department, P.O. Box 68-9953, Milwaukee, WI 53268-9953, (888) 334-3327, option 4; fax: (262) 786-8780, e-mail: books@ifebp.org

Health Insurance

Atlantic Information Services, Inc. *A Guide to the Medicare Drug Benefit*. \$467 [one-year subscription]. Atlantic Information Services, Inc., 1100 17th St., NW, Suite 300, Washington, DC 20036, (800) 521-4323, fax: (202) 331-9542, e-mail: customerserv@aispub.com

Goodman, John C., Gerald L. Musgrave, and Devon M. Herrick. *Lives at Risk: Single-Payer National Health Insurance Around the World*. \$22 + S&H. Rowman & Littlefield, Inc., 15200 NBN Way, P.O. Box 191, Blue Ridge Summit, PA 17214, (800) 462-6420, fax: (800) 338-4550, custserv@rowman.com, www.rowmanlittlefield.com

Pension Plans/Retirement

BISYS Retirement Services. *2004-2005 SEP/SIMPLE Retirement Plans*. \$79. BISYS Retirement Services, P.O. Box 979, Brainerd, MN 56401, (800) 346-3860, fax: (218) 825-5010, www.bisysretirement.com

Hewitt Associates. *How Well Are Employees Saving and Investing in 401(k) Plans, 2005 Hewitt Universe Benchmarks*. \$350. Hewitt Associates LLC, Attn: Hewitt Information Desk, 100 Half Day Rd., Lincolnshire, IL 60069, (847) 771-2500, infodesk@hewitt.com, www.hewitt.com

U.S. Government Accountability Office. *Highlights of a GAO Forum: The Future of the Defined Benefit System and the Pension Benefit Guaranty Corporation*. Order from GAO.

Watson Wyatt Worldwide. *Accounting for Pensions and Other Postretirement Benefits 2004: Reporting under FAS 87 and FAS 106 among the Nation's Largest Companies*. \$85. Watson Wyatt Worldwide, 901 N. Glebe Rd., Arlington, VA, 22203, (703) 258-8000, fax: (703) 258-8585, www.watsonwyatt.com

Reference

Business Insurance. *2005 Market SourceBook*. Print edition, \$50; CD-ROM, \$50. Crain Communications Inc., Attn: Single Copy Sales, 1155 Gratiot Ave., Detroit, MI 48207-2912, (888) 446-1422, subs@crain.com

Omnigraphics, Inc. *Government Assistance Almanac 2005-2006*. \$240. Omnigraphics Customer Service, P.O. Box 625, Holmes, PA 19043, (800) 234-1340, fax: (800) 875-1340, www.omnigraphics.com

Social Security

U.S. Government Accountability Office. *Social Security Reform: Answers to Key Questions*. Order from GAO.

Workers' Compensation

Thomason, Terry, Timothy P. Schmidle, and John F. Burton, Jr. *Workers' Compensation: Benefits, Costs, and Safety under Alternative Insurance Arrangements*. \$27. W.E. Upjohn Institute, Attn: Publications Department, 300 S. Westnedge Ave., Kalamazoo, MI 49007-4686, (888) 227-8569, fax: (269) 343-7310, e-mail: publications@upjohninstitute.org

Pension Reform Sites

American Academy of Actuaries
www.actuary.org/pension.htm

American Benefits Council
www.americanbenefitscouncil.org/issues/retirement/pension.cfm

Chicago Consulting Actuaries, LLC
<http://insight.chicagoconsultingactuaries.com/Insight/topicPensionReform.aspx>

The ERISA Industry Committee
www.eric.org/forms/documents/DocumentFormPublic/searchByCat?id=2B0100000001

U.S. Department of Labor, Employee Benefits Security Administration
www.dol.gov/ebsa/pensionreform.html

U.S. House Committee on Education and the Workforce
<http://edworkforce.house.gov/issues/109th/workforce/pension/pension.htm>

Web Documents

Becoming a Prescription Drug Plan Sponsor under the Medicare Modernization Act
www.segalco.com/publications/bulletins/feb05PDP.pdf

Changes in Federal and State Unemployment Insurance Legislation in 2004
www.bls.gov/opub/mlr/2005/01/art3full.pdf

Comparing the Retirement Savings of the Baby Boomers and Other Cohorts
www.bls.gov/opub/cwc/print/cm20050114ar01p1.htm

The Individual Retirement Account at Age 30: A Retrospective
www.ici.org/pdf/per11-01.pdf

Medicare Part D: A Nuts and Bolts Look at the Next Steps
www.towers.com/towers/webcache/towers/United_States/publications/Point_of_View/PO_PartD/Medicare_Part_D.pdf

Plan Amendments to Comply with New Automatic Rollover Provisions
www.irs.gov/pub/irs-tege/epnf_021605.pdf

Qualified Roth Contribution Programs Set to Debut in 2006
www.dechert.com/library/EB_Update38_7-05.pdf

U.S. Health Spending Projections for 2004–2014
<http://content.healthaffairs.org/cgi/content/full/hlthaff.w5.74/DC1>

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EBRI's overall goal is to promote soundly conceived employee benefit programs. EBRI does not lobby or endorse specific approaches. Rather, it provides balanced analysis of alternatives based on the facts. Through its activities, EBRI is able to fulfill its mission to advance the public's, the media's, and policymakers' knowledge and understanding of employee benefits and their importance to our nation's economy.

Since its inception, EBRI's membership has grown to represent a cross section of pension funds; businesses; trade associations; labor unions; health care providers and insurers; government organizations; and service firms, including actuarial firms, employee benefit consulting firms, law firms, accounting firms, and investment management firms.

Today, EBRI is recognized as one of the most authoritative and objective resources in the world on employee benefit issues—health care, pensions, and economic security.

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