



T-113

Senate Committee on Governmental Affairs

Subcommittee on International Security, Proliferation, and Federal Services

Hearing on Proposals to Correct Federal Retirement Coverage Errors

**by
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Summary

I was asked to provide information today on private-sector practices in the pension area, as it relates to the proposals before the Committee in S.1710.

- The first set of questions upon which I was asked to comment dealt with a private plan sponsor's ability to simultaneously (1) pay employer catch-up contributions, (2) pay employee catch-up contributions and (3) assume that these contributions had been invested in a diversified portfolio, including, equities, to account for "lost" investment earnings. Although certain participant-specific and planwide constraints may limit the extent to which a private sponsor can engage in this behavior, it does not appear that the sponsor is prohibited from making such contributions. We have not been able to identify data, however, on when it has occurred, as it is not a common practice.
- The second set of questions dealt with the issue that some federal employees were given a chance to switch plans in the past and did not. There is now discussion that the government may reopen the opportunity since the markets have done so well. I am not personally aware of private plan sponsors that provide this type of flexibility and given the various regulatory constraints detailed in my full submission, qualification of such an approach may prove to be problematic. Given the ability this would present for employees to in essence exercise a financial option against their employers, I believe it is fair to characterize this as a plan design that would be considered quite "extreme" by private employers.
- The first element that needs to be considered is what happens to the benefit accrued under the defined benefit plan employees were thought to have been participating in. If it is decided that they have a legal claim to such a benefit, then the increased value of this benefit vis-à-vis the smaller value under the defined benefit plan for new hires should be deducted from the gross claim that is determined under the defined contribution plans. If it is decided that the claim does not exist since they were never participants, then no further action is needed to net out this value.
- Determining the employer's retroactive obligation to the misclassified employee under the defined contribution plan requires several assumptions. In each case, the "correct" assumption will likely depend on the interpretation of equity.
- The nonelective contribution to the employees is probably the easiest element to agree on. Since this amount would have been accumulated in the employee's account but for the misclassification (regardless of his or her own contribution behavior), it is difficult to construct an argument under which it would not be equitable for this to be a requirement for the employer.
- The matching rate for the employer is also fairly easy to agree on; however, should it be assumed that the employee would necessarily have contributed a sufficient amount of his or her compensation to receive the maximum match?
- Perhaps the most complicated assumption in this determination would be the participant's asset allocation. If one were to assume the employee should be rewarded for risk that was not actually taken (since investments were not actually made), presumably the employer can rely on the actual historical fund performances to determine the rate of return for each component; however, the total investment income would be based to a large extent on how aggressively the participant would have invested his or her defined contribution balances. To attribute an average asset allocation to participants would create both winners and losers. Based upon data that EBRI has developed, the range of actual allocations is very broad.
- Once the decision for the correct asset allocation assumption is made, there will likely be little disagreement on its application to assets that would have been generated from nonelective contributions and matching contributions. However, the equitable treatment of investment income for employee contributions is likely to be more problematic.

Mr. Chairman and members of the Committee. I am Dallas L. Salisbury, President and CEO of the Employee Benefit Research Institute (EBRI), a nonprofit research and education organization located in Washington, DC. EBRI does not lobby, advocate policy positions, and in the past two years has not had any contracts with the government. Thank you for the opportunity to testify today. EBRI had the pleasure of sponsoring a series of forums with this Committee in the early 1980s as it did its initial work that led to creation of the Federal Employees' Retirement System (FERS). In addition to my testimony today, I ask that the two *EBRI Issue Briefs* submitted to the Subcommittee be entered into the record.

I was asked to provide information today on private-sector practices in the pension area, as it relates to the proposals before the Committee in S.1710.

The fact that we are not permitted to take a position on pending legislation constrains, to a certain degree, the type of testimony I am able to provide in this matter. However, I hope to be of assistance to the committee by framing some of the issues in terms of their private-sector analogy. Although we need to be mindful of the different environments and constraints under which these plans operate, the various ways in which employers may respond to competing objectives may be of use in future deliberations with respect to this legislation.

The first set of questions on which I was asked to comment dealt with a private plan sponsor's ability to simultaneously (1) pay employer catch-up contributions; (2) pay employee catch-up contributions; and (3) assume that the contributions had been invested in a diversified portfolio, including, equities, which included all "lost" investment earnings. Although certain participant-specific¹ and planwide² constraints may limit the extent to which a private sponsor can engage in this behavior, it does not appear that the sponsor is prohibited from making such contributions. In fact, the Reish & Luftman law firm³ specifically provides the following commentary for a hypothetical situation in which the sponsor of a profit-sharing plan under which employer contributions are geared to participant compensation provides incorrect contributions due to data entry errors:

One alternative would be for the plan to be "readministered" in accordance with its terms. That is, the contribution, plus the amount which had been earned on those contributions, would be reallocated among the participant accounts to reflect the correct compensation.

The other approach would be for the employer to make an additional contribution to the plan so that, based on the correct compensation data, each participant would have a contribution equal to the same percentage of pay. In this case, the employer would also need to add earnings to the contribution.

They point out that Revenue Procedure 98-22 contains a number of principles applicable to the correction of a misallocation for private plan sponsors. With respect to question 3 above, they specifically make the following two points:

Corrective allocations should be based on the terms of the plan at the time of the error and should be adjusted for earnings and forfeitures that would have been allocated if the failure had not occurred. The Revenue Procedure states that "corrective allocations *need not* be adjusted for losses."

Where a plan permits participant-directed investments, rather than calculating the actual earnings for each participant based on his or her actual investment mix, **it is permissible to use the investment**

option with the highest earnings rate for a particular year (emphasis added), so long as most of the participants receiving a corrective allocation are non-HCEs.

Although we have no way of identifying cases in which a sponsor of a private plan has voluntarily performed the three actions above, there have been other documented cases in which some sponsors have used corporate assets to provide additional contributions to participants who have been potentially impacted by the misfortunes of insurance companies that had issued guaranteed investment contracts (GICs) to the sponsors' defined contribution plan. Although these were voluntary events, it should be noted that class-action suits had already been filed against at least one other plan sponsor holding an Executive Life GIC in 1991. Therefore, these events may not appear "extreme" to other private employers.

The second set of questions dealt with the issue that some federal employees were given a chance to switch plans in the past and did not, and there is now discussion that the government may reopen the opportunity since the markets have done so well. I am not personally aware of private plan sponsors that provide this type of flexibility⁴ and given the various regulatory constraints alluded to above, qualification of such an approach may prove to be problematic. Given the ability this would present for employees to, in essence, exercise a financial option against their employers, I believe it is fair to characterize this as a plan design that would be considered quite "extreme" by private employers.

The question as to what the employer's equitable response should be in such a situation still remains unanswered. I would like to abstract from the constraints imposed on private sponsors for a few minutes and consider how competing objectives might be satisfied.

For simplicity, let me assume that we have an employer that was once sponsoring only a contributory defined benefit plan and that the participants were not included in Social Security. Further, assume that the generosity of the defined benefit plan has been significantly reduced for participants hired after some threshold date, but that their combined contribution to Social Security and the new defined benefit plan is exactly the same as it was under the previous arrangement. As a quid pro quo, the sponsor has decided to set up a participant-directed defined contribution plan with two components: a first part consisting of a nonelective employer contribution that will be contributed for all newly hired employees and a second part that matches the employee's contribution up to some specified percentage of compensation. Finally, as a result of some type of clerical error, assume that some employees hired after the threshold date had mistakenly been told they were in the defined benefit plan (and thus did not make any contributions to the defined contribution plan, whether or not they would have made them if they had been assigned to the correct plan).

The first element that needs to be considered is what happens to the benefit accrued under the defined benefit plan the employees were thought to have been participating in. If it is decided that they have a legal claim to such a benefit, then the increased value of this benefit vis-à-vis the smaller value under the defined benefit plan for new hires should be deducted from the gross claim that is determined under the defined contribution plans.⁵ If it is decided that the claim does not exist since they were never participants then no further action is needed to net out this value.

Determining the employer's retroactive obligation to the misclassified employee under the defined contribution plan requires several assumptions. In each case, the "correct" assumption will likely depend on the interpretation of equity.

The nonelective contribution to the employee is probably the easiest element to agree on. Since this amount would have been accumulated in the employee's account but for the misclassification (regardless of his or her own contribution behavior), it is difficult to construct an argument under which it would not be equitable for this to be a requirement for the employer.

The matching rate for the employer is also fairly easy to agree on; however, should it be assumed that the employee would necessarily have contributed a sufficient amount of his or her compensation to receive the maximum match? EBRI studies of the 401(k) market⁶ suggest that while many employees contribute just enough to maximize the employer's match, a significant percentage of eligible employees contribute less than that amount (if anything at all). Unfortunately, this leaves policymakers with the Solomonesque decision of either (1) ensuring that no employee receives less of a match than they would have received had they contributed a sufficient amount to ensure the maximum match (in which case the employer pays more than it would have expected to contribute)⁷ or (2) having the employer provide matching contributions based on some average contribution rate (presumably determined from those employees that were correctly classified) with the result that some employees would likely end up with a smaller match than they otherwise would have had.⁸

Perhaps the most complicated assumption in this determination would be the participant's asset allocation. If one were to assume⁹ the employee should be rewarded for risk that was not actually taken (since investments were not actually made), presumably the employer can rely on the actual historical fund performances to determine the rate of return for each component; however, the total investment income would be based to a large extent on how aggressively the participant would have invested his or her defined contribution balances. To attribute an average asset allocation to participants would create both winners and losers. Based on data that EBRI has developed, the range of actual allocations is very broad.¹⁰ Depending on the sponsor studied, between 20 percent and 37 percent of participants put no money into equities, between 10 percent and 21 percent put all of the 401(k) money into equities, and the remaining participants are spread across a range, as shown by tables 1–3. It is important to note, however, that these aggregate percentages mask significant age, gender, wage and tenure effects. They also mask important investment menu impacts as well as strong influences from the participant direction (or lack thereof) of matching employer contributions.¹¹

Once the decision for the correct asset allocation assumption is made, there will likely be little disagreement on its application to assets that would have been generated from nonelective contributions and matching contributions. However, the equitable treatment of investment income for employee contributions is likely to be more problematic. On one hand, employees can argue that they would have earned investment income on the contributions they made (if any) but, at the same time, the employer can correctly make the case that, since the employees did not actually have to contribute these funds to the plan in the intervening years, they had the opportunity to earn investment income outside of the plan. Mitigating this argument to some extent is the fact that the participants have been denied the ability to benefit from the tax-advantaged treatment of the plan's trust during this time.

One of the assumptions made above was that employees who did not actually subject themselves to market risk (since the hypothetical employer did not allow them into the defined contribution plan) would actually be rewarded with some type of market-related rate of return that included at least a portion of the rate of return available through equities. There are those who might take exception to rewarding employees for what in essence was a risk-free investment (ex post). In fact, in a recent case involving the purchase of a series of Executive Life GICs by Unisys¹² for its 401(k) plans, the finance professor used as the damages expert for the plaintiffs testified that he adopted the triple-A Solomon Brothers bond index to determine the damages owed to participants after the expiration of the contracts, without having made actual inquiry into the participants' investment strategies and propensities. Even though some class representatives put the money return from Executive Life into equity investments, the alleged damages were computed based on assumptions much closer to a risk-free rate of return. In other words, if there appears—to at least some professionals—to be a basis for adopting a 100 percent bond rate of return in a situation where the participant's actual asset allocation decisions are available, then certainly some may feel that in those cases where there are no observed investment choices for employees that were misclassified, the rationale for an all-bond rate of return would be even stronger.

In conclusion, let me restate that we have attempted to respond to the request for analysis, albeit in a philosophical as opposed to an empirical mode. We do not take positions on any of it or make legislative action recommendations. However, the database mentioned above would put us in the unique position to assist the Committee if they choose to provide a more refined analysis of the participants' likely asset allocation during this time had they been given the opportunity to invest their own contributions and those of the employer. Thank you for allowing me the opportunity to testify today.

Endnotes

- ¹ Annual limits on additions to defined contribution plans in general and elective contributions specifically are set forth in Internal Revenue Code (IRC) Sections 415(c) and 402(g), respectively
- ² IRC Section 401(a)(4) makes it problematic to have a contribution scheme that provides a higher percentage of compensation for "highly compensated employees." In general, these are employees earning in excess of \$80,000, although specific guidance may be found in IRC Section 414(q). It should be noted that certain types of private defined contribution plans may provide for a limited amount of disparity between the contribution rates of highly compensated employees and their lower paid counterparts as long as it does not exceed the limitations specified in IRC Section 401(l).
- ³ Fred Reish, Bruce Ashton, and Nick White, "Misallocations Resulting From Calculation Errors" Q&A: Plan Defects. URL:http://www.benefitslink.com/benefits-bin/qa.cgi?mode=list&database=qa_plandefects (23 March 1998)
- ⁴ Note, however, that university plans may provide some type of initial choice for the participants. For example, Robert L. Clark, Loretta Harper, and M. Melinda Pitts recently authored an article in TIAA-CREF's *Research Dialogues* (Issue Number 50, March 1997) titled "Faculty Pension Choices in a Public Institution: Defined Benefit and Defined Contribution Plans" in which they found, for the most part, academic institutions can be divided into three groups with respect to the primary retirement plans offered employees: (1) private institutions that require newly hired faculty to enroll in a defined contribution pension plan; (2) public institutions that require faculty to enroll in a defined benefit pension plan sponsored by a state or local government; and (3) public institutions that give newly hired faculty a choice of enrolling in a public retirement plan or one of several defined contribution plans approved by the institution.
- ⁵ This assumes that the claim under the defined contribution plan is larger than that under the defined benefit plan (a high probability event under some of the scenarios below given the recent performance in the financial markets). If this is not the case, the employee may simply be given the opportunity to take whichever benefit is greater: that already earned under the defined benefit plan or that which would have been accumulated under the defined contribution plan.
- ⁶ Paul J. Yakoboski and Jack L. VanDerhei, "Contribution Rates and Plan Features: An Analysis of Large 401(k)

Plan Data” EBRI Issue Brief #174, June 1996.

- ⁷ In a recent court case (*Garcia v. U.S.*, DC DC, No. 97-1698, 3/9/98) workers alleged they suffered additional losses in that they were deprived of the “right to plan intelligently for retirement.” Had they been correctly placed in FERS when they should have been, they said, they would have made greater contributions to the Thrift Savings Plan (TSP).
- ⁸ Of course, this is offset by the fact that other employees receive more than they otherwise would have received if they had been given the choice of how much (if any) of their compensation they would contribute.
- ⁹ The potential impact of not making this assumption is explored below.
- ¹⁰ Paul J. Yakoboski and Jack L. VanDerhei, “Worker Investment Decisions: An Analysis of Large 401(k) Plan Data” *EBRI Issue Brief* no.176, Employee Benefit Research Institute, August 1996.
- ¹¹ EBRI has undertaken a collaborative effort with the Investment Company Institute to attempt to scientifically analyze the asset allocation, contribution, participation, and loan and withdrawal decisions of 401(k) participants. A forthcoming joint publication will focus on participant level data from more than 30,000 401(k) plans.
- ¹² *In re Unisys Savings Plan Litigation*, DC E.Pa, No. 91-3067, 11/24/97.

Table 1
Allocation Distributions of Participant Account Balances, Company A Retirement Savings Plan, 1994

	Nonequity Investments				Equity Investments				Company A Stock			
	Zero	<20%	20%–80%	80%+	Zero	<20%	20%–80%	80%+	Zero	<20%	20%–80%	80%+
Total	15.4%	12.8%	42.5%	29.3%	20.9%	13.5%	44.6%	21.1%	77.4%	11.8%	8.6%	2.1%
Age												
20–29	19.6	16.3	44.4	19.7	16.9	7.4	48.7	27.0	71.7	16.3	10.1	1.9
30–39	15.2	14.0	45.0	25.8	18.3	12.1	47.8	21.7	76.4	12.9	8.7	2.0
40–49	14.7	11.7	41.2	32.5	23.2	14.6	42.6	19.5	78.8	10.8	8.2	2.3
50–59	16.3	11.3	38.9	33.6	22.7	16.6	40.0	20.7	79.0	10.1	8.6	2.3
60 and over	14.2	9.1	32.3	44.4	33.1	16.0	32.0	18.9	86.2	5.7	6.2	1.9
Salary												
\$10,000–\$19,999	10.6	6.0	34.3	49.1	40.8	13.6	34.3	11.3	78.1	12.8	6.5	2.5
\$20,000–\$29,999	9.2	7.4	33.9	49.5	41.2	13.1	33.8	11.8	82.3	9.4	6.5	1.8
\$30,000–\$39,999	12.2	10.6	38.9	38.3	28.7	14.4	40.2	16.6	79.1	11.4	7.4	2.1
\$40,000–\$49,999	15.5	13.0	43.5	28.0	19.4	13.7	45.7	21.1	76.6	12.7	8.6	2.2
\$50,000–\$59,999	17.1	14.1	44.7	24.1	16.5	12.7	47.3	23.6	76.6	12.4	8.7	2.2
\$60,000–\$74,999	17.3	14.6	45.3	22.8	14.8	13.0	48.1	24.1	76.3	12.0	9.6	2.1
\$75,000–\$99,999	18.4	14.7	44.4	22.4	14.0	13.8	47.3	24.9	76.3	11.9	9.7	2.1
\$100,000 or more	19.9	14.2	44.2	21.6	14.2	13.3	47.2	25.3	76.0	11.2	10.3	2.5
Tenure												
2 years or less	24.0	10.4	28.0	37.6	39.0	4.1	33.9	23.1	73.3	11.1	13.2	2.5
2+ years–5 years	23.2	16.4	40.6	19.8	19.4	6.7	45.7	28.3	68.6	15.8	12.2	3.4
5+ years–10 years	18.2	15.0	46.1	20.7	16.2	9.3	49.7	24.9	74.3	14.3	9.3	2.1
10+ years–15 years	13.4	13.0	44.2	29.3	20.1	13.8	46.2	19.9	78.9	11.6	7.5	2.0
15+ years–25 years	13.5	11.8	41.7	33.0	22.5	15.6	43.1	18.9	79.2	10.9	8.0	1.9
Over 25 years	16.3	11.5	40.3	31.9	20.9	16.9	41.4	20.8	78.1	10.7	9.0	2.3
Gender												
Male	16.5	13.4	42.2	27.8	20.0	13.6	44.7	21.6	75.6	12.1	9.8	2.6
Female	12.7	11.2	43.1	32.9	22.9	13.1	44.3	19.6	82.1	11.2	5.6	1.1
Marital Status												
Single	15.3	12.7	42.3	29.7	22.1	12.1	44.6	21.3	77.9	12.3	7.9	2.0
Married	15.5	12.9	42.6	29.1	20.5	13.9	44.7	21.0	77.3	11.8	8.8	2.2
Unknown	12.4	9.4	36.6	41.6	30.6	15.4	36.6	17.5	82.1	9.7	6.7	1.6
Race												
White	15.7	12.9	42.6	28.8	20.2	13.5	44.8	21.4	77.9	11.6	8.5	2.1
Nonwhite	14.4	12.2	41.8	31.6	24.0	13.2	43.5	19.2	75.4	13.3	9.0	2.3

Source: Employee Benefit Research Institute.

Table2
Allocation Distributions of Participant Contributions, Company B Retirement Savings Plan, 1994

	Nonequity Investments				Equity Investments			
	Zero	<20%	20%–80%	80%+	Zero	<20%	20%–80%	80%+
Total	12.3%	8.6%	47.4%	31.7%	25.4%	7.1%	47.8%	19.7%
Age								
20–29	15.2	11.2	47.9	25.7	19.8	7.4	48.5	24.3
30–39	13.0	10.6	50.7	25.6	20.0	6.5	51.5	22.0
40–49	12.3	9.0	47.1	31.6	24.9	7.5	47.5	20.2
50–59	11.6	5.0	45.5	38.0	31.7	6.7	45.5	16.1
60 and over	4.8	0.5	31.4	63.3	55.2	8.1	31.4	5.2
Salary								
\$10,000–\$19,999	18.1	8.1	40.0	33.7	30.4	4.1	39.6	25.9
\$20,000–\$29,999	10.9	5.6	46.4	37.2	32.2	6.1	46.5	15.2
\$30,000–\$39,999	11.1	8.1	46.5	34.3	27.7	7.8	46.1	18.4
\$40,000–\$49,999	13.5	9.9	46.7	29.9	22.9	7.8	47.6	21.7
\$50,000–\$59,999	11.7	8.0	51.0	29.3	22.0	7.6	51.5	18.8
\$60,000–\$74,999	15.4	9.7	51.5	23.4	17.5	6.4	52.8	23.2
\$75,000–\$99,999	15.1	15.4	44.5	25.0	18.0	7.4	46.0	28.7
\$100,000 or more	7.8	10.8	50.0	31.5	23.4	8.1	51.1	17.5
Tenure								
2 years or less	27.4	12.8	40.9	18.9	16.1	3.0	41.5	39.3
2+ years–5 years	16.8	10.6	46.2	26.4	21.1	6.3	47.1	25.5
5+ years–10 years	11.0	9.0	50.2	29.8	23.9	6.8	50.6	18.6
10+ years–15 years	9.2	8.5	50.0	32.3	24.8	8.4	50.4	16.4
15+ years–25 years	7.8	6.4	49.2	36.6	28.4	8.7	49.4	13.4
Over 25 years	7.2	4.8	41.1	46.9	40.5	7.2	40.9	11.4
Gender								
Male	15.9	11.3	45.6	27.2	21.7	6.0	46.9	25.4
Female	9.9	6.7	48.6	34.8	28.1	7.8	48.4	15.7
Marital Status								
Single	11.5	8.8	47.6	32.2	25.5	7.8	47.6	19.2
Married	13.0	8.9	47.4	30.7	24.9	6.5	48.1	20.5
Unknown	10.3	3.8	45.1	40.8	32.4	9.4	44.6	13.6
Race								
White	13.9	9.2	47.7	29.2	23.7	6.3	48.3	21.7
Nonwhite	7.2	6.6	46.2	40.0	31.1	9.7	46.0	13.2

Source: Employee Benefit Research Institute.

Table3
Allocation Distributions of Participant Account Balances, Company C Retirement Savings Plan, 1994

	Equities				Nonequities				Employer Stock			
	Zero	<20%	20%–80%	80%+	Zero	<20%	20%–80%	80%+	Zero	<20%	20%–80%	80%+
Total	37.0%	11.3%	41.6%	10.1%	45.0%	11.4%	31.9%	11.6%	19.9%	10.4%	49.8%	19.9%
Age												
20–29	28.1	6.8	51.2	13.8	57.2	10.7	25.9	6.2	17.2	9.2	57.2	16.4
30–39	34.0	10.7	44.7	10.7	44.8	12.4	32.5	10.3	18.7	10.8	53.2	17.3
40–49	40.2	11.7	38.7	9.4	44.4	11.6	31.4	12.5	20.2	9.8	48.0	22.0
50–59	39.4	13.6	38.0	9.0	41.8	9.8	34.1	14.2	22.6	11.0	44.6	21.8
60 and over	41.6	15.3	34.5	8.6	32.1	8.2	40.4	19.2	28.8	13.8	40.7	16.7
Salary												
\$10,000–\$19,999	29.3	6.5	39.9	24.3	61.6	10.5	22.3	5.6	23.6	11.4	48.4	16.6
\$20,000–\$29,999	39.1	5.2	39.8	15.9	56.5	7.7	25.0	10.9	23.2	9.7	47.2	19.9
\$30,000–\$39,999	47.3	8.7	34.0	9.9	45.0	8.6	30.3	16.1	23.2	8.6	46.9	21.3
\$40,000–\$49,999	44.4	9.8	36.8	9.0	45.7	9.6	31.2	13.5	20.4	8.4	49.3	21.9
\$50,000–\$59,999	41.6	11.5	37.9	9.0	46.0	11.0	31.0	11.9	18.4	9.3	49.6	22.7
\$60,000–\$74,999	34.1	12.5	43.6	9.8	45.2	12.4	31.7	10.6	18.3	10.9	51.1	19.7
\$75,000–\$99,999	28.1	12.3	48.4	11.2	42.6	13.3	34.0	10.0	20.3	12.4	51.4	15.9
\$100,000 or more	21.0	11.7	54.3	13.0	37.3	13.4	38.8	10.4	27.9	14.9	46.2	11.0
Tenure												
2 years or less	21.3	2.6	54.2	21.9	71.7	6.3	18.8	3.2	22.1	8.8	53.2	15.9
2+ years–5 years	26.4	6.6	53.1	13.9	59.1	10.4	25.2	5.3	18.1	7.8	56.5	17.6
5+ years–10 years	33.2	10.2	45.6	10.9	43.7	12.7	33.3	10.3	19.3	10.9	53.8	16.0
10+ years–15 years	36.2	12.7	41.9	9.2	40.1	12.2	35.3	12.3	19.2	11.5	52.0	17.3
15+ years–25 years	42.2	12.3	37.1	8.4	43.2	11.9	31.6	13.3	19.5	10.2	47.4	22.9
Over 25 years	41.7	13.0	36.3	8.9	43.7	10.0	32.3	14.0	22.4	10.1	43.3	24.2
Gender												
Male	37.3	11.3	41.2	10.2	47.1	11.1	30.5	11.3	20.2	10.1	47.9	21.8
Female	36.5	11.2	42.3	10.0	41.5	11.9	34.3	12.1	19.5	10.8	53.2	16.5
Race												
White	36.4	11.4	41.7	10.6	45.5	11.4	31.5	11.6	20.4	10.5	49.1	20.0
Nonwhite	39.7	10.8	41.3	8.2	42.8	11.8	33.7	11.6	17.7	9.6	53.1	19.6

Source: Employee Benefit Research Institute.