February 1995
Vol. 16 Number 2

EBRI
EMPLOYEE BENEFIT RESEARCH INSTITUTE®

Notes

The Changing Employer Role in Retirement Security

Introduction

Advance funded pension and retirement savings programs have accumulated over $5 trillion in savings. Pension savings are a primary form of personal savings in the economy. Pensions represented 50 percent of personal savings between 1976 and 1980, 59 percent between 1981 and 1985, and 51 percent between 1986 and 1990.

Pension Participation Over Time

Among all nonagricultural wage and salary workers, pension participation has been steady since 1972 at between 46 percent (1972, 1983, and 1988) and approximately 50 percent (1979 and 1993). Among all full-time workers it was 56 percent in 1993. The number of defined benefit plans has grown among large employers, while small employers have deserted in very large numbers. However, employers of all sizes are placing increasing emphasis on using defined contribution plans to provide capital for retirement. Participation in 401(k) plans grew from 3 percent in 1983 to 14 percent in 1988 and 23 percent in 1993. Among workers offered the opportunity to participate in such a plan, 67 percent did so in 1993, compared with 39 percent in 1983. Changes in the law (five-year vesting), work force patterns, and 401(k) growth combined to move the number of vested pension participants, i.e., those with a nonforfeitable benefit, to 86 percent of all participants from 77 percent in 1988 and 52 percent in 1979. However, there is no evidence of a universal employer "shift" from defined benefit to defined contribution plans. Of the net decrease in the number of defined benefit plans, 75 percent involved plans consisting of 2–9 active participants.

Retiree Medical Benefits

Retiree medical protection is declining among all employers as the minimum standards imposed by the Employee Retirement Income Security Act of 1974 were not in place when employers expanded this benefit promise in the late 1960s and early 1970s. Employers' inability to build funded reserves has led to strategies to bring large unfunded liabilities under control. Recent surveys document a steady reduction in promises to future retirees, the elimination of the promise for new employees, and agressive cost sharing among present retirees. With the certainty that Medicare will provide less, while costing individuals more, in the years ahead, retirees will need even more cash savings and income to purchase the medical insurance and medical care they need. The importance of maximum participation and contributions to 403(b), 401(k), 457, and individual retirement accounts will become clearer with each passing year.

Paternalism Versus Self-Reliance

It seems that America has a tendency to make public policy based on the practices of the largest employers and to attribute the characteristics of those who work for the largest organizations to the rest of the work force. For purposes of savings and retirement planning, the history of small organizations is quite different from that of large organizations.

Small organizations have not been able to afford—and frequently do not want—to be paternalistic. That is, they have not promised the prospect of lifelong employment and a full plate of benefits. They have emphasized defined contribution and individual account retirement programs, with lump-sum distributions on job termination. Since 1980, we have seen large organizations, public and private, begin to move in this same direction: redesign of defined benefit plans, expansion of defined contribution plans, and payment of lump-sum distributions from both types of plans.

Many large organizations are seeking to be less paternalistic. They are no longer saying: "Focus on work and productivity and you *will* have a job and we will take care of economic security for you," providing benefits as part of a social contract. They are saying: "Focus on work and productivity and you *might* have a job, and we will provide benefit opportunities for you so that you can become self-reliant." A defined benefit pension plan (with the sponsor contributing whatever it takes to keep the promise) is provided when it serves a work force management purpose, but these plans are increasingly taking new forms, with a focus on individual accounts and/or lump-sum distributions.

Large organizations are seeking to be more flexible. Flexibility and reinvention, as now being implemented by the federal government and many other organizations, mean more reliance on defined contribution retirement plans, on a smaller work force, and on the use of lump-sum buyouts and pension incentives to achieve that smaller work force. With flexibility comes an end to the psychology of lifetime employment—even though few in this nation have had lifetime employment with one firm, and a significant number move to other employment after leaving their "career" job.[1]

Large organizations are seeking to change employee benefit programs into a form in which expense is more predictable. The federal government may become the only entity that promises benefits with the presumption that it will always be there. Between 1950 and 1980 this presumption was part of the benefit programs of most large organizations. Large organizations' recognition that they had to innovate and reinvent to survive has contributed to new pension forms with more built-in cost control, expansion of lump-sum payments instead of annuities, reduced retiree medical promises, expanded worker contribution benefit options, enhanced communications programs, and a common emphasis on individual responsibility.

Large organizations are beginning a move from paternalism to testing concepts of partnership, shared responsibility, and increased individual responsibility. Small organizations have historically been at this end of the spectrum. The federal government took the first step in this direction as an employer in 1984 with the introduction of the Federal Thrift Savings Plan and a significantly reduced value defined benefit pension plan.

Congress has been moving social programs in this direction since 1983 by taking actions that will result in full Social Security benefits being paid at later ages, a decrease in early retirement benefits, more of the benefits being subjected to income taxes, and the availability of Social Security Administration individual statements with projections of what recipients will receive and when.

[1] *Robert E. Hall, "The Importance of Lifetime Jobs in the U.S. Economy,"* American Economic Review *(September 1982): 716–724; Christopher J. Ruhm, "The Work and Retirement Patterns of Older Americans,"* EBRI Issue Brief *no. 121 (Employee Benefit Research Institute, December 1991).*

Conclusion

These movements, and the societal attention they will command, are likely to motivate more Americans to save more for themselves. These savings are likely to be found increasingly in pension and retirement savings plans due to work force aging; the structure of payroll deductions; employer matching contributions; the convenient packaging of investment options; and public policy, employer, service sector, and media attention to the need for savings to achieve a dignified retirement. These trends will also increase the emphasis on the value of saving and beginning financial planning at an early age, as workers' opportunity to depend on someone else to do it for them continues to decline.

—Dallas L. Salisbury, EBRI

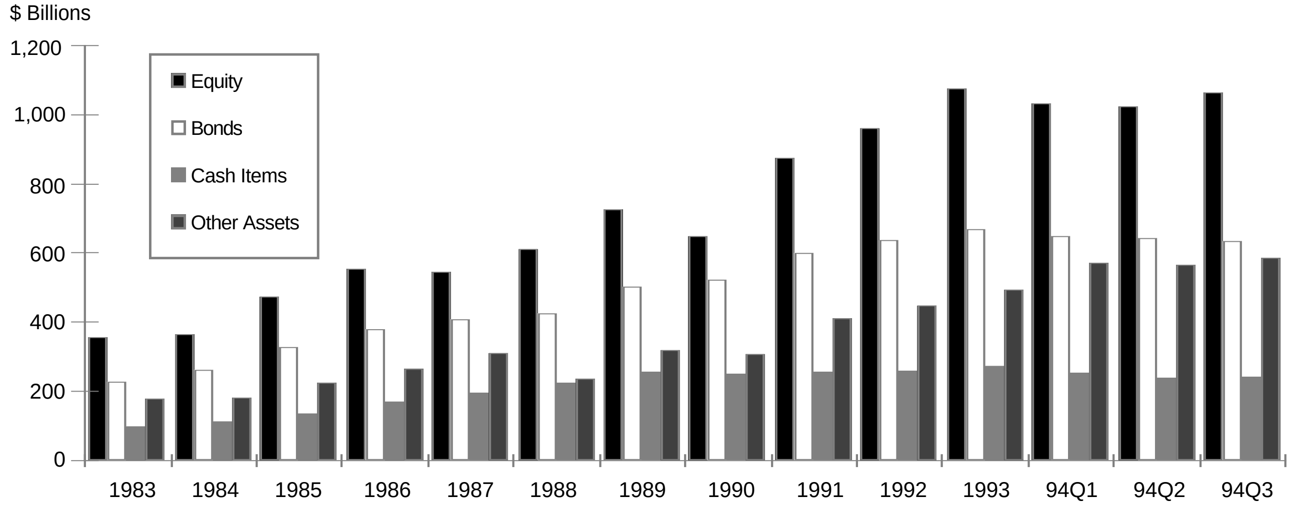
Pension Assets Grow 2.3 Percent Between Second and Third Quarter 1994

Private trusteed pension fund assets increased from $2.47 trillion at the end of second quarter 1994 to $2.5 trillion at the end of third quarter 1994. Pension fund assets increased 1.0 percent between year-end 1993 and September 30, 1994, with the greatest growth (2.3 percent) occurring during the third quarter. Private trusteed pension assets decreased 3.9 percent between year-end 1993 and the end of the first quarter 1994. Between year-end 1992 and year-end 1993, private trusteed pension assets increased 8.9 percent, compared with an average annual growth of 11.8 percent between 1983 and year-end 1993. Returns in the stock and bond markets increased during the third quarter 1994. The Standard and Poor's (S&P) 500 returned –3.8 percent during the first quarter 1994, compared with a 0.4 percent return during the second quarter and a 4.9 percent return during the third quarter of 1994. The Shearson Lehman Brothers Kuhn Loeb Government/ Corporate Bond Index returned –3.1 percent during the first quarter of 1994, increasing to –1.2 percent during the second quarter and increasing to 0.5 percent during the third quarter. Net flows of private trusteed funds increased to a positive $56 billion during the third quarter of this year, with $89 billion in earnings and –$34 billion in net contributions.

As of third quarter 1994, private trusteed pension funds allocated $1.1 trillion to equity, $634 billion to bonds, $241 billion to cash items, and $584 billion to other investments (chart 1). Between the end of second quarter and the end of third quarter 1994, the proportion of private trusteed assets held in bonds and cash decreased slightly while the proportion of assets held in equity and other investments increased. Between year-end 1993 and the end of third quarter 1994, assets held in equity decreased 1.0 percent, assets held in bonds decreased 4.9 percent, assets held in cash decreased 11.0 percent, and assets held in other investments increased 18.5 percent. Assets held in other investments increased at a faster annual rate than assets in the other investment categories between 1983 and September 30, 1994, growing at an average annual rate of 12.7 percent during this period, compared with an average annual growth rate of 10.8 percent for all private trusteed pension assets. Private trusteed pension assets held in equity have grown at an average annual rate of 11.2 percent, assets held in bonds have grown 10.0 percent, and assets in cash items have grown 9.1 percent over the same period.

The investment allocation of assets varies by plan type. A larger percentage of defined contribution

Chart 1
Private Trusteed Pension Assets, by Asset Type, 1983–1994Q3



plan assets are invested in equity than commonly believed, partly due to the large quantity of company stock invested in by many defined contribution plans. Single-employer defined contribution plans allocated 44.2 percent of their assets to equity investments as of September 30, 1994. Single-employer defined benefit plans allocated 41.3 percent of assets to equity, and multiemployer plans allocated 38.3 percent at the end of the third quarter of 1994. Multiemployer plans held a greater proportion of assets in bonds (33.1 percent) than single-employer defined benefit plans (25.8 percent) and single-employer defined contribution plans (22.2 percent). Defined contribution plans held 10.3 percent of assets in cash items, compared with 8.7 percent of defined benefit assets and 10.1 percent of multiemployer assets. Defined benefit plans allocated 24.2 percent of their assets to other investments, defined contribution plans allocated 23.3 percent, and multiemployer plans allocated 18.5 percent.

—Paul Fronstin, EBRI

Washington Update

ERISA/Health Plans—Sen. James Jeffords (R-VT) and a bipartisan group of 11 senators have asked the General Accounting Office (GAO) to study the potential impact of proposed modifications to the Employee Retirement Income Security Act's (ERISA) preemption clause. They have requested that four areas be studied: to identify the current market impact of allowing self-funding under ERISA; to summarize how ERISA preemption affects current state comprehensive reform proposals; to identify the potential costs and benefits of changing ERISA's preemption clause; and to assess the potential for premium increases in the insured marketplace if the federal government imposes reform on the fully insured market without applying the reform measures to self-funded plans.

At press time, the Employer-Employee Relations Subcommittee of the House Economic and Educational Opportunities Committee was scheduled to hold a hearing Feb. 14 to explore ERISA's successes.

Outlook: Sen. Jeffords' office anticipates that GAO will submit preliminary findings within the next few months on the ERISA preemption issue. The Feb. 14 hearing marks the beginning of the subcommittee's exploration into ERISA to determine if amendments to the law are needed. Subcommittee staff are currently drafting a bill on ERISA with as yet no set date of introduction. Meanwhile, the U.S. Supreme Court heard oral arguments Jan. 18 in a challenge to New York state's hospital rate surcharges imposed as part of that state's all-payer system *(New York State Conference of Blue Cross and Blue Shield Plans v. Travelers Insurance Co.; Pataki v. Travelers Insurance Co.; Hospital Association of New York v. Travelers Insurance Co.) (Notes,* 11/94). At issue is the extent to which ERISA preemption may limit states' ability to fund health reform efforts. A decision is expected in June.

Health Reform—Several health reform bills have been introduced in the 104th Congress, ranging from incremental reform initiatives to proposals to assist states in pursuing their own plans. House Commerce Committee Chairman Tom Bliley (R-VA) announced Feb. 1 that he will introduce a health reform bill intended to guarantee portability, reform malpractice laws, reduce paperwork, enhance the right to choose doctors, and authorize medical savings accounts. A bill (S. 308) introduced Feb. 1 by Sens. Bob Graham (D-FL) and Mark Hatfield (R-OR), would provide states with $50 billion in federal funding for their reform efforts (paid for by an increase in the tobacco tax). The bill would direct the National Association of Insurance Commissioners to develop minimum standards for health insurance renewability, portability, guaranteed issue, community rating, solvency, and stop-loss. Such standards would become the national minimum standards for the states. S. 308 would establish an ERISA Review Commission, which would be comprised of representatives from federal, state and local government; business; and labor with the objective of clarifying what is permissible under ERISA and ensuring that the interests of self-insured plans are addressed.

Outlook: Health reform has taken a back seat to the House Republican Contract with America, which will tie up the legislative pipeline until at least late April. Action on health reform would have to begin soon after that to have a chance of passage this Congress. Presidential election politics will likely get in the way of reform efforts next session.

House Contract with America—The House Republican Contract with America has been the subject of daily Ways and Means Committee hearings since Jan. 5. The committee has held hearings on H.R. 8, the Contract's proposal to provide tax incentives for long-term care insurance and to repeal the tax changes affecting higher income Social Security recipients that were included in the 1993 budget reconciliation bill, and on H.R. 11, which would provide an elderly dependent care tax credit. The committee has also held hearings on H.R. 6, the Contract's proposal to develop a new type of individual savings account. EBRI Research Associate Paul Yakoboski testified at a Ways and Means Committee hearing on this issue Jan. 31. The

Keeping on Track

The following items are listed to keep you up-to-date on issues that were not specifically addressed in Washington Update.

Economically Targeted Investments—The House Progressive Caucus, made up of 32 House Democrats, is planning to introduce a series of bills to counter the bills contained in the House Republican Contract with America. One proposal (not yet introduced) would establish a commission to find ways to encourage social investment of pension funds.

Educational Assistance—Rep. Sander Levin (D-MI) introduced a bill (H.R. 127) on the opening day of Congress to restore and make permanent the exclusion for employer-provided educational assistance. Rep. Owen Pickett (D-VA) followed up with a bill of his own (H.R. 476) Jan. 30. The exclusion expired Dec. 31, 1994. Action, if any, on this legislation is not likely until May at the earliest.

Executive Compensation—Rep. Martin Sabo (D-MN) introduced a bill (H.R. 620) Jan. 20 that would limit the tax deductibility of executive compensation to 25 times that of the lowest paid full-time worker at the same organization. The bill would also increase the minimum wage to $6.50 an hour, up from its current level of $4.25 an hour.

Family and Medical Leave Act—The Department of Labor announced Feb. 2 that the effective date for the Family and Medical Leave Act has been deferred from Feb. 6, 1995 to April 6, 1995. The action was in response to requests that the department provide additional time to enable employers and other members of the public to comply with their new responsibilities.

Individual Retirement Accounts (IRAs)—Rep. Bill Thomas (R-CA) introduced a "super-IRA bill" (H.R. 682) Jan. 25, the companion to legislation introduced in the Senate by Sens. Bill Roth (R-DE) and John Breaux (D-LA) (S. 12) (*Notes,* 1/95). The bill would restore full deductibility for regular IRA contributions and create an alternative IRA in which contributions would not be deductible, but funds on deposit for at least five years would not be taxed when withdrawn. Penalty-free withdrawals would be permitted for first-time home purchases, educational expenses, catastrophic health care expenses, or during long periods of unemployment.

Nonqualified Plans—Albertsons, Inc. has filed for a rehearing of the case that resulted in a Dec. 5 U.S. Circuit Court of Appeals decision that ruled employers that enter into deferred compensation agreements with employees under a nonqualified plan may not deduct amounts accrued annually on deferred compensation as interest (*Notes,* 12/94). The decision reversed the Ninth Circuit ruling on *Albertsons, Inc. v. Commissioner* (*Notes,* 3/94).

PBGC—The Pension Benefit Guaranty Corporation (PBGC) Jan. 26 released a technical update of the pension provisions that were signed into law last year as part of the General Agreement on Tariffs and Trade. The technical update provides background information on the major provisions of the law that fall under authority of the PBGC.

Social Security—Alicia Munnell, the Clinton administration's Assistant Treasury Secretary for Economic Policy, stated in a Jan. 25 speech that increasing the payroll tax by 1 percent for employers and workers could restore long-run balance to Social Security. Munnell suggested that such a move would bring in enough revenue to pay for 75 years of benefits.

The Advisory Council on Social Security met Feb. 10–11 to review demographic issues and discuss adequacy and equity considerations for the Social Security program, trust fund investment and budget treatment options and alternatives, and long-term financing options through benefit reductions or tax increases.

Stock Options—The Financial Accounting Standards Board is expected to decide in March whether to issue a final statement or to rewrite draft rules and seek public comment on its decision to encourage expensing of stock option compensation based on its estimated fair value at the grant date (*Notes,* 1/95). The current deadline for completion of the project is June 30.

Joint Tax Committee has estimated the tax provisions in the aforementioned bills would cost $147.8 billion over five years.

Outlook: The Ways and Means Committee will begin markup in March on the Contract's tax provisions (including bills H.R. 6, 8, and 11). The Senate will move at a slower pace. The Finance Committee is holding a series of hearings on issues involving the national savings rate. EBRI appeared before the committee Feb. 9 to explore savings through defined contribution plans and individual retirement accounts. EBRI's testimony for this hearing and the Ways and Means Committee hearing is available by contacting Edina Rheem, 202/775-6360.

Balanced Budget Amendment— The House Jan. 26 passed the constitutional balanced budget amendment (HJRes 1), with enough votes to achieve the required two-thirds margin. The amendment has moved to the Senate, where passage is uncertain. If passed, the amendment would move to the states for ratification. It would take effect by 2002 at the earliest.

Outlook: The amendment as currently written generally requires total outlays for any fiscal year not to exceed total receipts for that year. Such a law could impact government spending on entitlements, including Medicare and Social Security. A contingent of Democratic senators has warned they may not vote for the proposal unless it excludes Social Security.

Health Benefits Taxation— A number of bills have been introduced in the 104th Congress to restore the tax deduction for health costs of the self-employed, which expired Dec. 31, 1993. Several bills would reinstate the 25 percent deduction and increase it to 100 percent. The cost of reinstating the deduction for 1994 is estimated at between $300 million and $400 million.

Outlook: House Ways and Means Health Subcommittee Chairman Bill Thomas (R-CA) is pushing H.R. 697, which is limited to restoring the 25 percent deduction for 1994. There will be an attempt in both the House and Senate to pass a narrow bill to restore the deduction before the 1994 tax filing season expires. The Clinton administration supports fast action on this measure. A reinstatement or increase in the deduction could be part of a larger tax bill later in the session.

Medicare/Medicaid Data Bank— Sen. John McCain (R-AZ) Jan. 11 introduced a bill (S. 194) to repeal the Medicare/Medicaid Coverage Data Bank (*Notes,* 10/94). Attempts at repealing the data bank last year met with budgetary constraints—the data bank has been scored by the Congressional Budget Office as saving the federal government nearly $1 billion over five years.

Outlook: Funding for the data bank's implementation was denied through the appropriations process in 1994, but the issue could continue to resurface if the provision is not repealed. Sen. McCain's bill does not include a provision to offset the cost of repealing the data bank.

Entitlement Commission— Copies of the final report of the Bipartisan Commission on Entitlement and Tax Reform are now available (*Notes,* 1/95). The report includes the commission's letter to the President and Congress, which makes several recommendations to help address long-term fiscal problems in the entitlements arena. Commission members Sens. Bob Kerrey (D-NE) and Alan Simpson (R-WY) plan to introduce legislation to shore up the Social Security system and boost private savings. The bill would combine parts of the reform packages the senators each submitted to the commission.

Outlook: The commission's final report outlines more than 50 reform options. Copies are available through the Government Printing Office, 202/512-1800 for $22. The stock number is 040-000-00652-4. For information on obtaining the report and related materials on CD-ROM, call 202/224-2300.

At EBRI

Defined Contribution Plan Project Advisory Board's Next Meeting Set for March 10

The advisory board for EBRI's defined contribution project has scheduled its next meeting for Friday, March 10. The first meeting of the advisory board was held January 13 with 45 members of the advisory board in attendance. Prudential Defined Contribution Services, Massachusetts Mutual Life Insurance, American Express Institutional Services, and Hewlett Packard have recently signed on as sponsors of the project. For more information about the project, call Deborah Milne, 202-775-6361.

EBRI Releases New Analysis of the Sources of Health Insurance Coverage

The results of EBRI's analysis of the March 1994 Current Population Survey on the sources of health insurance coverage and characteristics of the uninsured population were released at a briefing held Tuesday, January 24, on Capitol Hill. Nearly 50 congressional staffers, EBRI Washington Representatives, and members of the press were in attendance. Following the briefing, EBRI's data were cited in multiple news reports around the country, including the Washington Post; New York Times, which picked up the AP newswire story; New York Newsday; CNN; ABC Good Morning America; ABC News Radio, CNN Radio; and Standard News Radio Network. EBRI's complete analysis is being published as the February 1995 *Issue Brief*.

EBRI Research Associate Testifies Before House Ways and Means Committee and Senate Finance Committee

EBRI Research Associate Paul Yakoboski testifed before the U.S. House Ways and Means Committee on Tuesday, January 31, providing an analysis of the American Dream Restoration Act, which calls for the expansion of individual retirement accounts in order to increase savings. Copies of the testimony are available for $5.00 by charge; call Edina Rheem, 202-775-6360.

He also testified on Feb. 9 before the U.S. Senate Finance Committee on defined contribution plans and individual retirement accounts.

EBRI Research Analyst Submits Statement to House Ways and Means Committee

EBRI Research Analyst Sarah Snider submitted a statement on long-term care tax clarification to the U.S. House Ways and Means Committee.

New Publications

[*Note: To order publications from the U.S. Government Printing Office (GPO), call (202) 783-3238; 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*].

1994 Notes Index Available

Copies of the index for 1994 issues of *EBRI Notes* are available on request. Contact Cheri Meyer at (202) 775-6351.

Almanac Publishing, Inc. **The New Members of Congress Almanac: 104th U.S. Congress.** $39.95. Almanac Publishing, Inc., P.O. Box 3785, Washington, DC 20007, (202) 296-2297.

Bean, Burton T., Jr., and John J. McFadden. **Employee Benefits.** Third edition. $48. Dearborn Publishing Group, Inc., 155 N. Wacker Drive, Chicago, IL 60606, (800) 621-9621, ext. 3650.

Blendon, Robert, and Mollyann Brodie, eds. **Transforming the System: Building a New Structure for a New Century.** $95. Faulkner & Gray, Healthcare Information Center, 1133 15th St., NW, Suite 450, Washington, DC 20005, (202) 828-4148.

Bodie, Zvi, and Olivia S. Mitchell. **Pension Security in an Aging World.** $10. Pension Research Council, University of Pennsylvania, Colonial Penn Center, 3641 Locust Walk, Philadelphia, PA 19104-6218, (215) 898-7620.

Borjas, George J. **Immigration and Welfare, 1970–1990.** $5. Working Paper no. 4872. National Bureau of Economic Research, 1050 Massachusetts Ave., Cambridge, MA 02138. (Written requests only.)

Burroughs, Eugene B. **Investment Policy Guidebook for Trustees.** Third edition. IFEB members, $19; nonmembers, $25. Publications Department, International Foundation of Employee Benefit Plans, P.O. Box 69, Brookfield, WI 53008-0069, (800) 466-2366; (414) 786-6710, ext. 240.

Coleman, Barbara. **European Models of Long-Term Care in the Home and Community**. Free. Public Policy Institute, American Association of Retired Persons, 601 E Street, NW, Washington, DC 20049, (202) 434-3840.

Donnadieu, Gabe, and Robert A. Schuler. **Controlling Unemployment Insurance Costs: The Employer's Comprehensive Guide to the UIC System.** $59.95. Greenwood Publishing Group, 88 Post Road West, Box 5007, Westport CT 06881, (203) 226-3571.

Fried, Barbara. **Domestic Partner Benefits: A Case Study**. College and University Personnel Association members, $15; nonmembers, $20. CUPA, 1233 20th St., NW, Suite 301, Washington, DC 20036, (202) 429-0311.

Friedland, Robert B., Lynn M. Etheredge, and Bruce C. Vladeck. **Social Welfare Policy at the Crossroads: Rethinking the Roles of Social Insurance, Tax Expenditures, Mandates, and Means-Testing.** $19.95. National Academy of Social Insurance, 1776 Massachusetts Ave., NW, Suite 615, Washington, DC 20036, (202) 452-8097.

Friedman, Jacob I., Rory J. Albert, and Neal S. Schelberg. **ERISA Fiduciary Answer Book.** $89. International Foundation of Employee Benefit Plans, P.O. Box 69, Brookfield, WI 53008-0069, (414) 786-6710, ext. 240.

Hewitt Associates. **Across the Border: Compensation and Benefits Practices in Mexico: 1994.** $100. Hewitt Associates, 100 Half Day Road, Lincolnshire, IL 60069, (708) 295-5000.

HMSO. **Report of the Pension Law Review Committee, 4th Report (Goode Report).** $25. HMSO, c/o Unipub, 4611-F Assembly Drive, Lanham, MD 20706-4391, (800) 274-4888; (301) 459-7666.

Insurance Information Institute, Inc. **The Fact Book, 1995: Property/Casualty.** $22.50. Insurance Information Institute, Inc., 110 William St., New York, N.Y. 10038, (212) 947-6100.

Krikorian, Betty L. **Fiduciary Standards in Pension and Trust Fund Management.** Second edition. $95. Butterworth Legal Publishers, 8 Industrial Way, Building C, Salem, NH 03079-9811, (800) 548-4001.

Lipson, Debra J. **Keeping the Promise? Achieving Universal Health Coverage in Six States.** Free. Kaiser Family Foundation, 2400 Sand Hill Road, Menlo Park, CA 94025, (415) 854-9400.

Medical Device Register. **HMO/PPO Directory.** 1995 edition. $225. Medical Device Register, Five Paragon Drive, Montvale, NJ 07645-1742, (201) 358-7500.

National Conference of State Legislatures. **State Budget Actions 1994.** $35. National Conference of State Legislatures, Marketing Dept., 1560 Broadway, Suite 700, Denver CO 80202, (303) 830-2054.

National Foundation for Women Business Owners. **Employee Benefits Offered by Women-Owned Businesses: A Framework for Compassion.** $19.95. National Foundation for Women Business Owners, 1100 Wayne Ave., Suite 830, Silver Spring, MD 20910, (301) 495-4979.

Omnigraphics, Inc. **The National Directory of Addresses and Telephone Numbers, 1995.** $95. Omnigraphics, Inc., Penobscot Building, Detroit MI 48226, (800) 234-1340.

Ruhm, Christopher. **Do Pensions Increase the Labor Supply of Older Men?** $5. NBER Working Paper no. 4925. National Bureau

of Economic Research, 1050 Massachusetts Ave., Cambridge, MA 02138. (Written requests only.)

Teitelbaum, Martha. **Health Insurance Crisis for America's Children.** $4.50. Children's Defense Fund, 25 E St., NW, Washington, DC 20001, (202) 628-8787.

U.S. Center for Mental Health Services. **Mental Health, United States.** Order from GPO.

U.S. Chamber of Commerce. **1994 Edition: Employee Benefits: Survey Data from Benefit Year 1993.** $29. U.S. Chamber of Commerce, 1615 H St., NW, Washington, DC 20062, (202) 463-5552.

U.S. Congress. House. Committee on Energy and Commerce. **Health Care Reform.** Order from GPO.

U.S. Congress. House. Committee on Ways and Means. **A Proposal to Restructure the Social Security Administration's Disability Determination Process.** Order from GPO.

U.S. Congress. House. Office of Technology Assessment. **International Comparison of Administrative Costs in Health Care.** Order from GPO.

U.S. Congress. Senate. Committee on Appropriations. **Rural Health Care: Special Needs of Our Rural Communities.** Order from GPO.

U.S. Congress. Senate. Committee on Labor and Human Resources. (1) **Conference on the Growing Contingent Work Force: Flexibility at the Price of Fairness?** (2) **Dual Standard: Health Insurance for American and Foreign Employees of Multinational Companies.** Order from GPO.

U.S. Congress. Senate. Special Committee on Aging. **Health Care Reform: Implications for Seniors.** Order from GPO.

U.S. Department of Labor. Women's Bureau. **Working Women Count!: A Report to the Nation.** Order from U.S. Department of Labor, Women's Bureau.

U.S. General Accounting Office. (1) **Medicaid: States Use Illusory Approaches to Shift Program Costs to Federal Government.** (2) **Medicare: HCFA's Contracting Authority for Processing Medicare Claims.** (3) **Veterans' Health Care: Implications of Other Countries' Reforms for the United States.** Order from GPO.

U.S. Social Security Administration. **OASDI Beneficiaries by State and County, December 1993.** Order from U.S. Department of Health and Human Services, Social Security Administration, Office of Research and Statistics, Baltimore, MD.

Weissman, Joel S., and Arnold M. Epstein. **Falling Through the Safety Net: Insurance Status and Access to Health Care.** $14.95 paper; $40 cloth. The Johns Hopkins University Press, 2715 N. Charles St., Baltimore, MD 21218–4319, (410) 516–6956.

William M. Mercer, Inc. **1994 Human Resources Management Compensation Survey.** Survey participants, $275; nonparticipants, $525. National Survey Group of William M. Mercer, Inc., 1417 Lake Cook Road, Deerfield, IL 60015-5231, (800) 333-3070; (708) 317-7400.

Winklevoss, Howard E. **Pension Mathematics with Numerical Illustrations.** Second edition. $29.95. University of Pennsylvania Press, Blockley Hall, 13th Floor, 418 Service Drive, Philadelphia, PA 19104, (215) 898-6261

The Wyatt Company. **A Survey of Retiree Benefits Provided by Plans Covering Salaried Employees of 50 Large Companies as of January 1, 1994.** For price, call Gary Swegle, The Wyatt Company, Homer Building, 601 13th St., NW, Washington, DC 20005, (202) 508-4645.

Special 1/2 Price Pre-Publication Offer

The third edition of the *EBRI Databook on Employee Benefits* includes over 350 tables and charts presenting vital statistics on the employee benefits system. First issued in 1990, the updated version of this one-of-a-kind reference book on employee benefits explores such topics as the retirement income system; employer-sponsored benefit plans; government programs such as Social Security, Medicare, and Medicaid; health insurance; and labor force and demographic trends.

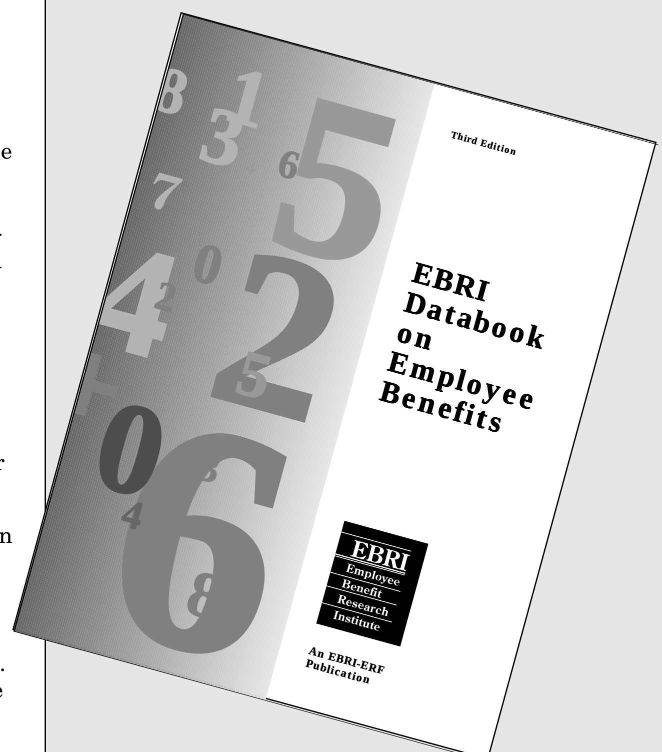
The *EBRI Databook* amasses pertinent data from dozens of sources to provide a comprehensive analysis of how the employee benefits system works, who and what is affected by its various functions, and its relationship with the U.S. economy. Tables and charts are supplemented by explanatory text to provide detailed information on the entire range of employee benefit programs and work force related issues. The *Databook* is also fully indexed and includes a glossary of terms used in the book, legislative history of employee benefit programs, and reference guide listing sources for further research.

Highlights from the *EBRI Databook on Employee Benefits*, Third Edition

- In 1993, individuals and families received $1.4 trillion in employee benefit payments and public assistance. Retirement benefits accounted for the largest portion of these payments, or $616.9 billion, more than one-half of which was attributable to employer-sponsored retirement programs. Health benefit payments totaled $385.3 billion.
- In 1993, employers spent $673.6 billion, or 17.8 percent of total compensation, on major mandatory and voluntary employee benefits.
- In private industry, benefit costs equaled $4.94 per hour worked and in state and local government, benefit costs equaled $7.71 per hour worked in 1994.
- The total number of pension plan participants rose from 44 million in 1979 to 51 million in 1993. However, the number of pension plan participants as a proportion of the civilian work force fell from 46 percent in 1979 to 44 percent in 1993.
- The Social Security system covered 132.9 million workers in 1992. The average monthly amount of Old Age and Survivors Insurance benefit paid to retired workers and their dependents was $652.60 in 1992.

"The comprehensiveness of the *Databook* proves that EBRI is the leading source on research information in the employee benefits field. The *EBRI Databook* contains more statistical information on employee benefits in one place than I have been able to find anywhere else."

John J. McCormack, Jr., Executive Vice President, TIAA/CREF



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