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Notes

Do Employers/Employees Still Need Employee Benefits? A Report on EBRI's December Policy Forum

by Christopher R. Conte, EBRI Fellow

Introduction

Economic, social, and legal forces are undermining the role of employment-based benefits as a key feature of the employment scene and source of financial security for American families, Brookings Institution economist Robert D. Reischauer told participants at the Employee Benefit Research Institute Education and Research Fund (EBRI-ERF) December 1997 policy forum.

"Over the next few decades, we're going to see a continuation of the slow but steady reduction in the importance of employer-provided benefits," Reischauer said. "It's not going to be a rapid avalanche. It's going to be like the melting of a glacier when the environment warms up."

The EBRI-ERF forum, "Do Employers/Employees Still Need Benefits?" brought benefits planners and policy experts together to explore implications of the trend described by Reischauer—and to discuss what steps might halt, or even reverse, it. Employers have good reason to consider the question, noted Rep. Earl Pomeroy (D-ND). To the extent employers withdraw from the benefits arena, the lawmaker said, pressures will grow for government intervention. And that, he warned, would be no bargain for employers, who still would have to pay much of the cost of benefits (either in new taxes or regulatory costs), but would end up with considerably less flexibility to shape benefit programs.

When it comes to benefits, concluded Pomeroy, employers face a " 'pay me now or pay me later' proposition."

Forces of Change

Why are employment-based benefit programs under stress now, in the late 1990s, when the U.S. economy is showing unprecedented strength, corporations are posting substantial profits, and the government has set relatively modest goals for itself? Reischauer cited a number of factors. The increased diversity of the work force is stretching employers' capacity to design programs that satisfy widely varied employee needs. Changes in public policy—especially declining tax rates—have reduced the advantages employers once enjoyed in providing benefits. New savings vehicles for retirement and new sources of health care coverage outside of retirement have begun to make families less dependent on benefits secured through their jobs.

These forces are being felt even as economic pressures are forcing employers to reexamine benefit programs. "We live in a much more unforgiving world," observed Francis N. Bonsignore, senior vice president of Marsh & McLennan Companies, Inc. "Twenty or 30 years ago, a public company might have been able to get over a bad year. Today, with the scrutiny that is given by investors and shareholder groups, a bad year may in fact prove to be your last year."

In this environment, managers sometimes feel compelled to cut traditional retirement and health benefits, trim the number of employees covered, or shift more of the financial burden to employees. While mainstream companies still consider these benefits a "price of entry" and "source of legitimacy," Bonsignore said, employers are under pressures to manage, control, and limit them because they represent large fixed costs and aren't believed to play much of a role in motivating workers or increasing productivity.

Employers are more enthusiastic about "new age" or "lifestyle" benefits such as employee assistance plans, dependent care, flexible time, and other family-friendly programs, according to Bonsignore. Not only are such nontraditional benefits popular, but employers can provide them at a relatively low cost, Bonsignore said. And, significantly, many employers believe these benefits, unlike core benefits, can be used to increase productivity.

Benefits and Employee Performance

Some forum participants argued that traditional retirement and health benefits have a larger role to play in ensuring corporate success. "The high road to competitive success must focus on product quality and customer service first, and must meet competition through increased productivity, which requires employee commitment," noted Ron Blackwell, director of corporate affairs for the AFL-CIO. According to Blackwell, working families look to benefits not only for economic security but also for tangible proof of how committed their employers are to them.

When working people—and their unions—see evidence of employer commitment, their behavior will change in positive ways, Blackwell continued. Labor recognizes that it must find "new ways to engage employers, new ways to help businesses become successful, new ways to deliver income to our workers," Blackwell said. "But we're not going to give up our old ways unless...we see a commitment on the employer's side first and foremost."

Benefits can be used to cultivate both loyalty and other important attitudes among employees, argued Charles G. Tharp, senior vice president of Bristol-Myers Squibb Co. High-performance companies need workers who are independent self-starters, who take pride in their work and view themselves as "partners" with their employers rather than as dependents. To nurture these qualities, Bristol-Myers Squibb has sought to move away from traditional benefits programs that bind employees to the company with "golden handcuffs" and toward arrangements that encourage employees to take more responsibility for their own benefits.

Tharp acknowledged that this transformation, often described as abandoning corporate "paternalism" in favor of employee "empowerment," is designed in part to reduce benefit costs by requiring employees to pay more for their own benefits. However, he said, the new approach also helps "reinforce and support" the "culture" companies must create if they are to survive in today's competitive economy.

Can companies really reduce their contributions to benefit programs and, at the same time, motivate employees to become more productive? Tharp suggested they can. When Bristol-Myers Squibb decided to hire an outside vendor to administer its benefit programs, for instance, it contracted with a company that also offered employees a wide range of new investment options in the company-sponsored savings plan. As a result, even as the company was able to trim $2.5 million out of the $6 million cost of administering its benefits, employees hailed the change as "our most major benefit improvement," Tharp recounted.

Shared Responsibilities

Employees haven't always reacted so enthusiastically to such changes, however. If employers aren't careful, "empowerment" efforts can sound to many employees like "the haves" turning to the "have-nots," and saying, "Congratulations, you're on your own...you have less, but that's good news for you even if you don't believe it," said Howard Fluhr, president and chief executive of the Segal Company.

Dale L. Gifford, chief executive of Hewitt Associates, said that in the new model for employee benefits, employers must be careful to define clearly their responsibilities as well as those of employees, to offer "understandable" plans, to provide employees with the tools to make decisions for themselves, and to serve as "expert buyer" and "quality assurer" for employees. "There are no easy answers," Gifford said. Employers must "let go of the 'old deal,' " he said, but they must do so "in a smart way, a kind way," and at the "appropriate speed."

A smart, kind approach includes responding to the growing need among employees for education about how they can best achieve their goals in a less paternalistic environment, many forum participants agreed. But unresolved questions remain. Employees can be overwhelmed by the decisions that empowerment requires them to make for themselves, some noted, and employers worry about being held responsible for bad employee decisions.

"The real issue," said one participant, "is risk...who bears the risk of a poor choice?" He argued that employers and employees must share responsibility: employers should provide a "reasonable ground" of security—perhaps by selecting sound alternatives for employees—and employees, in turn, must make "reasonable choices."

Still, it's all but certain that in a world of increased choice, some employees won't make the best decisions. If too many employees fail to achieve financial security in retirement or are devastated by inadequate medical coverage, the government is sure to step in to try to fix the problem, warned the Segal Company's Fluhr.

Policy Implications

Is a greater government role inevitable? According to Rep. Pomeroy, "It depends upon corporate America understanding that in the end, good corporate policy runs concomitant with good public policy, (and on) Congress understanding that the private administration of benefits is a system that is working (and that it) is far and away the most cost-effective way to continue to provide the most good for the most people."

The congressman noted that the "political bargain" that led to the current system—in which employers agreed to provide benefits, and government, in turn, lets them do so in a "fairly deregulated environment"—is now being challenged by members of both political parties. On the right, many Republicans would eliminate tax preferences in order to simplify the tax code, while on the left, many Democrats favor regulation or new programs to make up for deficiencies they see in employment-based arrangements for retirement and health care.

Acknowledging such political pressures, James A. Klein, president of the Association of Private Pension and Welfare Plans, said advocates of the current system must do a better job of demonstrating to Congress that employer involvement still brings substantial social advantages, compared with a completely individualized system. The advantages are different than they were 20 or 30 years ago, he said. In today's economy, they revolve less around the financial savings that employer involvement means to the government and to beneficiaries and more around employers' ability to safeguard the quality of benefit services and educate individuals to be wiser consumers.

"The greatest value of the employment system is the extent to which it helps individuals be more prudent purchasers and consumers of benefits," he said. That point currently "is completely lost on most of the policymakers in Congress," he added.

Thoughtful Innovation, Continued Education

In the end, employers and employees alike share an interest in a strong system of employee benefits, concluded EBRI President Dallas L. Salisbury. We need strong institutions to continue producing jobs, he noted. But the success of institutions, in turn, depends heavily on workers' productivity. And that is shaped in part by the commitment employers show to employees through cash compensation and benefits.

Current circumstances—especially the increased diversity of the work force—make benefit programs particularly hard to design, Salisbury acknowledged. But for at least the next 17 or 18 years, when projections suggest labor markets will be tight and employers will face challenges in attracting and keeping quality employees, well-designed benefit programs will continue to be an important element in employer-employee relations, he predicted.

"The bottom line," said Salisbury, is that employers and employees both will need "thoughtful innovation" and "continued education."

Medicare as an Option for Americans Ages 55–64: Issues to Consider

by Paul Fronstin, EBRI

Introduction

Medicare is by far the largest public health care financing program, with expenditures of $200 billion on health care in 1996, mostly for the elderly (ages 65 and older). As a percentage of national health care spending, Medicare has increased from 11.4 percent in 1970 to 20.9 percent in 1995.[1] The Balanced Budget Act of 1997 (BBA '97) contained the first major Medicare changes in many years. BBA '97 is expected to reduce Medicare spending by $115 billion between 1998 and 2002, and by $386 billion between 1998 and 2007. The Medicare provisions contained in BBA '97 were largely a response to the financial situation of the Medicare Part A trust fund, which was expected to be depleted in late 2000 or early 2001. The provisions are expected to extend the fund's solvency until 2010, according to actuaries at the Health Care Financing Administration.

Increasing the Medicare eligibility age to 67 was not included in 'BBA 97's Medicare provisions, although it was heavily debated. The Senate-passed legislation would have increased the Medicare eligibility age to 67, but did not include legislation that would have provided for some other health insurance for people in that age bracket. However, the Clinton administration's FY 1999 budget proposal includes provisions that would allow individuals to buy into the Medicare program starting at age 55 for individuals laid off or displaced and at age 62 for all individuals.[2] The age 62 provision would effectively bring consistency to the Medicare and Social Security programs in that *both* would provide for early retirement benefits before age 65 and full retirement benefits at age 65. The ultimate goal of the program, however, is not consistency between Social Security and Medicare, but to provide affordable access to health insurance coverage for individuals ages 55–64 who have trouble obtaining coverage. Unlike individuals under age 55, this population may have more difficulty obtaining health insurance coverage because of their age and health status.

While the Clinton administration's proposal would help some uninsured people ages 62–64, and will undoubtedly be strongly debated by both advocates and opponents, it would have very limited impact on the aggregate number of people without health insurance coverage, as discussed below. Allowing the buy-in for Medicare starting at age 55 for laid-off and displaced workers would also have a limited effect.

Table 1

Persons Ages 35-64 with Selected Sources of Health Insurance, by Main Activity and Age, 1996

	Total	Total Private	Employment-Based Total	Employment-Based Own name	Employment-Based Dependent	Other Private	Total Public	Medicare	Medicaid	Uninsured
Ages 35–44	43,694,159	33,336,479	31,122,096	22,574,828	8,547,269	2,214,383	4,391,424	766,618	3,109,114	7,151,596
Working	37,436,727	30,607,684	28,762,647	22,231,533	6,531,114	1,845,037	2,103,067	165,607	1,299,724	5,610,688
Retired	82,311	30,319	18,324	15,919	2,404	11,996	30,982	8,281	11,216	30,924
Ill or disabled	1,949,210	381,574	310,063	120,987	189,077	71,511	1,344,878	543,112	1,029,769	388,498
Home or family	3,323,230	2,057,679	1,846,249	164,378	1,681,870	211,431	638,493	12,289	537,803	722,008
Other[a]	902,681	259,222	184,815	42,011	142,804	74,408	274,005	37,330	230,601	399,478
Ages 45–54	32,955,087	26,232,801	24,298,969	18,233,136	6,065,833	1,933,832	3,647,348	947,683	1,872,916	4,509,139
Working	27,760,782	23,703,099	22,126,866	17,674,810	4,452,056	1,576,233	1,616,395	119,592	621,779	3,415,032
Retired	447,188	290,059	246,274	99,590	146,684	43,785	126,661	54,364	38,350	76,019
Ill or disabled	2,123,128	665,631	566,652	259,592	307,061	98,978	1,491,090	744,848	957,614	278,535
Home or family	2,094,155	1,343,302	1,181,579	143,026	1,038,553	161,723	306,973	16,209	184,468	522,094
Other[a]	529,834	230,710	177,597	56,118	121,479	53,113	106,229	12,671	70,707	217,458
Ages 55–64	21,466,474	16,249,626	14,022,612	10,568,642	3,453,970	2,227,014	3,907,804	1,822,000	1,576,593	2,973,759
Working	13,853,602	11,845,073	10,509,326	8,706,523	1,802,804	1,335,746	1,087,876	185,916	342,199	1,591,507
Retired	3,595,774	2,593,023	2,088,530	1,357,875	730,655	504,493	829,058	531,900	147,120	601,219
Ill or disabled	2,314,895	789,759	585,231	315,000	270,231	204,529	1,703,545	1,040,011	943,963	281,740
Home or family	1,442,093	881,689	746,940	141,310	605,629	134,750	248,671	57,890	126,099	402,202
Other[a]	260,109	140,081	92,585	47,934	44,650	47,496	38,654	6,282	17,213	97,091
					(percentage within main activity category)					
Ages 35–44	100.0%	76.3%	71.2%	51.7%	19.6%	5.1%	10.1%	1.8%	7.1%	16.4%
Working	100.0	81.8	76.8	59.4	17.4	4.9	5.6	0.4	3.5	15.0
Retired	100.0	36.8	22.3	19.3	2.9	14.6	37.6	10.1	13.6	37.6
Ill or disabled	100.0	19.6	15.9	6.2	9.7	3.7	69.0	27.9	52.8	19.9
Home or family	100.0	61.9	55.6	4.9	50.6	6.4	19.2	0.4	16.2	21.7
Other[a]	100.0	28.7	20.5	4.7	15.8	8.2	30.4	4.1	25.5	44.3
Ages 45–54	100.0	79.6	73.7	55.3	18.4	5.9	11.1	2.9	5.7	13.7
Working	100.0	85.4	79.7	63.7	16.0	5.7	5.8	0.4	2.2	12.3
Retired	100.0	64.9	55.1	22.3	32.8	9.8	28.3	12.2	8.6	17.0
Ill or disabled	100.0	31.4	26.7	12.2	14.5	4.7	70.2	35.1	45.1	13.1
Home or family	100.0	64.1	56.4	6.8	49.6	7.7	14.7	0.8	8.8	24.9
Other[a]	100.0	43.5	33.5	10.6	22.9	10.0	20.0	2.4	13.3	41.0
Ages 55–64	100.0	75.7	65.3	49.2	16.1	10.4	18.2	8.5	7.3	13.9
Working	100.0	85.5	75.9	62.8	13.0	9.6	7.9	1.3	2.5	11.5
Retired	100.0	72.1	58.1	37.8	20.3	14.0	23.1	14.8	4.1	16.7
Ill or disabled	100.0	34.1	25.3	13.6	11.7	8.8	73.6	44.9	40.8	12.2
Home or family	100.0	61.1	51.8	9.8	42.0	9.3	17.2	4.0	8.7	27.9
Other[a]	100.0	53.9	35.6	18.4	17.2	18.3	14.9	2.4	6.6	37.3

Source: Employee Benefit Research Institute estimates from the March 1997 Current Population Survey.
[a]Other includes going to school, unemployed, and other.
Note: Numbers less than 75,000 should be interpreted with caution, as they are based on a relatively small sample.

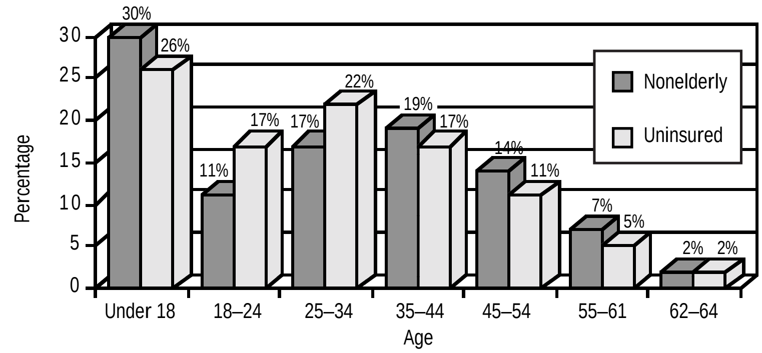
The remainder of this paper provides data on Americans ages 55–64 and discusses issues surrounding a Medicare buy-in program.

Background Data

Although individuals ages 55–64 have lower labor force participation rates than other age groups, the majority (65.3 percent) get their health insurance coverage through an employment-based plan (table 1). This compares with 71.2 percent for individuals ages 35–44 and 73.7 percent for individuals ages 45–54. Individuals ages 55–64 are more likely than other age groups to have purchased health insurance directly from an insurance company. Almost 10.5 percent have such a policy, compared with 5.1 percent among individuals ages 35–44 and 5.9 percent among individuals ages 45–54. The near elderly's high rate of privately purchased coverage is a result of their weak attachment to the labor force and their increased likelihood of being retired or disabled. They are less likely to have employment-based health insurance, yet they are more likely than others to need some form of health insurance.

Individuals ages 55–64 were not significantly more likely than other age groups to be uninsured. Almost 14 percent of individuals ages 55–64 were uninsured in 1996, compared with 16.4 percent of individuals ages 35–44 and 13.7 percent of those ages 45–54. The higher rates of insurance coverage, however, can be attributed to higher rates of Medicare coverage among the retired and disabled populations.

Chart 1
Nonelderly and Uninsured Populations, by Age, 1996



Source: Employee Benefit Research Institute estimates from the March 1997 Current Population Survey.

Issues to Consider

When designing effective public policy, policymakers need to understand the policy's potential impact. Allowing individuals to buy into the Medicare program before age 65 raises a number of issues that should be considered during the ensuing policy debate.

Potential Impact—Increasing access to health insurance coverage among individuals ages 55–64 is a primary goal of allowing them to buy into the Medicare program before age 65. It can be justified because these individuals may have the most difficulty purchasing insurance in the individual market because of their age and health status. However, the Medicare buy-in program would have a minimal effect on the overall uninsured population.

According to Employee Benefit Research Institute (EBRI) estimates from the March Current Population Survey, between 1987 and 1996, the percentage of nonelderly (under age 65) Americans without health insurance increased from 14.8 percent to 17.7 percent, and now represents 41.4 million individuals.[3] Individuals ages 55–61 account for 5 percent of the uninsured, representing 2.1 million individuals, and individuals ages 62–64 account for 2.2 percent of the uninsured and represent 900,000 individuals (chart 1). Furthermore, there are only 800,000 uninsured individuals in the population ages 55–61 who are unemployed and would potentially qualify for the Medicare program. If the Clinton administration's estimate that 300,000 individuals would benefit from the proposal is accurate, over 41 million individuals would remain uninsured. However, the program's primary goal is to provide access to health insurance for individuals ages 55–64 who do not have access to employment-based health insurance, not to reduce the uninsured population.

Affordability—The potential impact of allowing individuals to buy into the Medicare program would be hampered by the program's cost. Initial estimates are $300 per month for individuals ages 62–64, and $400 per month for individuals 55–61, representing annual premiums of $3,600 to $4,800, respectively. In addition, persons ages 62–64 would be required to pay between $10 and $20 per month extra for Medicare once they turn age 65 in order to pay back the early buy-in subsidy. While the majority of uninsured individuals would be able to afford this premium, many would not be able to participate because it would be unaffordable. In 1996, 24 percent of the population ages 55–61 and 25 percent of the population ages 62–64 were in families with income below the federal poverty level (table 2). In addition, 22.7 percent of the population ages 55–61 and 18.2 percent of the population ages 62–64 were in families with income at or above 300 percent of the federal poverty level. A couple at the poverty level would have $10,507 in gross income per year, while a couple at 300 percent of poverty would have $31,521 in gross income. The cost for a couple to buy

Table 2
Uninsured Persons Ages 55-64, by Main Activity and Poverty Level, 1996

Main Activity and Poverty Level	Ages 55–61 (number)	Ages 55–61 (percentage)	Ages 62–64 (number)	Ages 62–64 (percentage)
Total	2,071,800	100.0%	901,959	100.0%
Below poverty level	505,569	24.4	229,517	25.4
100%–149% of poverty	319,990	15.4	161,208	17.9
150%–199% of poverty	220,892	10.7	110,887	12.3
200%–299% of poverty	326,540	15.8	141,619	15.7
300%–399% of poverty	228,477	11.0	94,305	10.5
400% of poverty or more	470,332	22.7	164,424	18.2
Working	1,247,115	100.0	344,393	100.0
Below poverty level	154,483	12.4	44,599	13.0
100%–149% of poverty	162,773	13.1	52,572	15.3
150% of poverty or higher	929,859	74.6	247,222	71.8
Retired	256,983	100.0	344,235	100.0
Below poverty level	78,980	30.7	100,706	29.3
100%–149% of poverty	58,449	22.7	71,937	20.9
150% of poverty or higher	119,554	46.5	171,592	49.8
Ill or Disabled	186,060	100.0	95,679	100.0
Below poverty level	95,587	51.4	41,667	43.5
100%–149% of poverty	33,734	18.1	21,146	22.1
150% of poverty or higher	56,740	30.5	32,866	34.4
Homemaker	300,468	100.0	101,733	100.0
Below poverty level	113,311	37.7	32,904	32.3
100%–149% of poverty	53,657	17.9	10,800	10.6
150% of poverty or higher	133,500	44.4	58,030	57.0
Other*	81,173	100.0	15,918	100.0
Below poverty level	63,209	77.9	9,640	60.6
100%–149% of poverty	11,377	14.0	4,753	29.9
150% of poverty or higher	6,587	8.1%	1,526	9.6

Source: Employee Benefit Research Institute estimates from the March 1997 Current Population Survey.
Note: Numbers less than 75,000 should be interpreted with caution, as they are based on a relatively small sample.
[a]Other includes going to school, unemployed, and other.

into the Medicare program would be at least $7,200, or 69 percent of their gross income for those at the poverty level, and 23 percent of their income for those at 300 percent of the poverty level.

Labor Market Dynamics—The availability of Medicare prior to age 65 could affect both workers and employers. Some workers might choose to retire before age 65 because of the availability of Medicare. An EBRI/Gallup poll reveals a strong link between a worker's decision to retire early and the availability of subsidized health insurance.[4] In 1993, 61 percent of workers reported that they would not retire before becoming eligible for Medicare if their employer did not offer retiree health benefits. Yet the same survey shows that 47 percent planned to retire before age 65, with a planned mean age of retirement younger than age 61. Hence, a Medicare buy-in program would inevitably allow some workers to retire early. However, affordability will continue to be an issue, especially because retiree health benefits tend to be partly subsidized by employers and the Medicare buy-in option will be unsubsidized.

Employers might respond to the Medicare buy-in program by cutting back or completely eliminating retiree health benefits, accelerating an already existing trend.[5] However, the number of employers who would completely eliminate their programs might be minimal for a number of reasons. First, most employers do not offer retiree health benefits. Second, there is a public image problem associated with eliminating retiree health benefits that most employers would like to avoid because it can affect employee-employer relations. With the unemployment rate as low as it is now, employers may start to look for workers by rehiring retired workers, with the promise of retiree health benefits as an incentive to bring them back to the labor force. Third, if an employer completely eliminated retiree health benefits, its retirees would still be eligible for coverage under the Consolidated Omnibus Budget Reconciliation Act of 1985 (COBRA) until they were eligible for Medicare benefits, under the Clinton administration proposal. In fact, 55-year-old retirees would be eligible for COBRA for 10 years under the proposal. Past research indicates that the claims for health care services incurred by COBRA-covered individuals are on average 50 percent higher than those for active workers.[6] As a result, even though COBRA beneficiaries are required to pay 102 percent of the premium, they cost employers on average 150 percent of the premium. Likewise, if COBRA beneficiaries were required to pay between 120 percent and 125 percent of the premium, as proposed in the Clinton administration's FY 1999 budget for the small group of retirees whose employer eliminated retiree health benefits, they would still be both a financial and administrative burden for employers. Hence, employers will examine the trade-off between dropping retiree health benefits and increasing their COBRA exposure before making a decision.

Adverse Selection—The goal of the Clinton administration is to design a program that completely pays for itself in five years. Premiums before and after age 65 would be adjusted to accomplish this. For individuals ages 62–64, the monthly premium is expected to be $300 for both Medicare Part A and Part B. The current monthly premium for individuals over age 65 who do not qualify for Medicare is $309.[7] Medicare Part B would cost an individual an additional $43.80 per month, which only covers 25 percent of the cost of Medicare Part B. The average cost for health insurance under Medicare is higher for the population ages 65 and older than it is for the under age 65 population. However, it is possible that $300 per month, combined with the proposed $10–$20 monthly premium surcharge for individuals once they turn age 65, would not cover the expected expenditures of the average person under age 65. If the buy-in program suffers from adverse selection, meaning unhealthy individuals are more likely to participate in the program than the healthy, it would be even more difficult for the program to pay for itself at $300 per month. Adverse selection will be minimized, however, since individuals will be required to sign up for the buy-in program within a certain amount of time after the qualifying event. For example, individuals may have only one or two months to be eligible for the buy-in program after becoming displaced or turning age 62. This provision would reduce adverse selection because individuals could not wait until they became sick to sign up for coverage. This would effectively reduce adverse selection, but would not eliminate it.

Conclusion

While it is unlikely that the Medicare buy-in program would have a major impact on the uninsured population, it would help people obtain health insurance. The proposal is in large part consistent with recent health care legislation in that it guarantees access to health insurance coverage for people who can afford it. The proposal also moves toward consistency between the Medicare program and the Social Security program. The Social Security program currently provides for full benefits at age 65 and reduced benefits at age 62. While the reduced benefits at age 62 allow workers to retire before age 65, many do not because of the lack of availability of health insurance. Because people are living longer, the full benefit Social Security age is going to increase to 67, but the early benefit age of 62 will remain the same. Policymakers may want to consider examining the effects of complete consistency in the programs by raising the age for full Medicare benefits to age 67 (as the Medicare commission will undoubtedly recommend) while at the same time allowing for reduced benefits at age 62. In designing any changes to Medicare eligibility age, policymakers should understand the advantages and the issues involved in implementing such a program.

Endnotes

[1] *Katherine R. Levit et al., "National Health Expenditures, 1995,"* Health Care Financing Review *(Fall 1996): 175–214.*

[2] *The proposal includes a third provision that would allow retirees to continue retiree health benefits through COBRA when an employer drops retiree health benefits. See Paul Fronstin, "Health Insurance Portability: COBRA Expansions and Job Mobility,"* EBRI Issue Brief *no. 194 (Employee Benefit Research Institute, February 1998).*

[3] *Paul Fronstin, "Sources of Health Insurance Coverage and Characteristics of the Uninsured: Analysis of the March 1997 Current Population Survey,"* EBRI Issue Brief *no. 192 (Employee Benefit Research Institute, December 1997).*

[4] *EBRI/The Gallup Organization, Inc., "Public Attitudes on Medicare and Retiree Health, 1993,"* Summary Report *G-51 (Employee Benefit Research Institute, November 1993).*

[5] *Paul Fronstin, "Retiree Health Benefits: What the Changes May Mean for Future Benefits,"* EBRI Issue Brief *no. 175 (Employee Benefit Research Institute, July 1996).*

[6] *See Fronstin, "Health Insurance Portability."*

[7] *There are actually two premiums for individuals who do not qualify for premium-free Medicare benefits. If an individual has fewer than 30 qualifying quarters of Social Security income, the premium is $339.90 per month. For individuals with between 30 and 39 qualifying quarters of Social Security income, the premium is $187 per month.*

Washington Update
by Bill Pierron, EBRI

The Budget "Surplus"

Much of the Washington policy discussion during the past few months has been focused on what to do with a projected unified budget surplus for FY 1999—whether to spend more on new social programs, cut taxes, or begin to pre-fund some of the baby boomers' retirement costs. At this writing, policymakers on both sides of the aisle have begun calling for all three actions, with tax cuts leading the pack in terms of popularity. However, it is important to keep the following factors in mind as the debate continues. First, the unified budget "surplus" is completely dependent on Social Security payroll taxes, which currently bring in about $80 billion more annually than the program pays out. When these revenues are factored out of the unified budget, the surplus becomes a deficit. Second, the surplus will happen only if U.S. economic performance continues apace. Given the uncertainties in the Southeast Asian economies and the impact they may have on the rest of the world, relying on a surplus for FY 1999 is very optimistic.

Despite all the talk about new spending and tax cuts, members of Congress must still operate within budget rules, and these rules make it difficult to increase domestic spending. The Budget Enforcement Act of 1990, which amended the Balanced Budget and Emergency Deficit Control Act of 1985, set up pay-as-you-go rules that essentially created a zero sum game for all discretionary spending. (See *EBRI Notes, The Federal Budget Process,* Sept. 1996.) Under the 1990 Act, any increase in discretionary spending requires an offsetting spending cut elsewhere in the budget or a tax increase. A budget surplus was not contemplated when the law was drafted. This has led some members of Congress to call for revising the law to allow more liberalized spending or tax cuts without any budgetary quid pro quo. For example, Rep. Charles Schumer (R-NY) has introduced H.R. 2860, a bill that would earmark 50 percent of any federal budget surplus for reductions in Social Security payroll taxes, with the remainder dedicated to increasing discretionary spending. On the other side of the political spectrum, Rep. John Boehner (R-OH) has introduced H.R. 2496, a bill that would create a "tax cut reserve fund" for excess revenues generated by economic growth. Other bills have been introduced and many others are in the works.

Outlook: Because the surplus is still far from a reality, the debate that is taking place should be viewed mainly as political positioning. Indeed, rather than sweeping tax policy changes or major new domestic spending initiatives, the political outcome of a unified budget surplus may turn out to be limited change in order to determine where the economy moves after the 1998 elections.

Taxes on the Table

Sen. John Ashcroft (R-MO) has proposed a tax simplification plan that would reduce the number of individual tax brackets to four, end the "marriage penalty," and allow taxpayers to deduct their Social Security payroll taxes from their income taxes. No bill had been introduced as of this writing (mid-January), but the Social Security proposal is similar to others Sen. Ashcroft has pushed in previous sessions of Congress. Meanwhile, Sen. Edward Kennedy (D-MA) has proposed to eliminate the income cap on Social Security payroll taxes (currently $68,400) while cutting the rate to 5.3 percent of payroll from 6.2 percent for employers and employees. Other congressional leaders have been outlining their proposals for tax cuts, although most lack details. Sen. Larry Craig (R-ID) has proposed bringing back income splitting as a way to eliminate the "marriage penalty." Sen. Paul Coverdell (R-GA) has proposed raising the income limits for all tax brackets.

Outlook: The White House has been quick to characterize GOP tax cut proposals—most notably Sen. Ashcroft's—as "fiscally irresponsible." At this early stage of the process, it is impossible to predict whether any of these tax cuts might make their way into law. However, a tax package, which could include some pension simplification/expansion provisions as suggested in President Clinton's State of 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.*

Employer Securities in 401(k) Plans—The potential for employees to lose their retirement savings because their assets are invested in employer securities is not widespread, according to a new General Accounting Office (GAO) report. The report, commissioned in the wake of legislative proposals to limit employer securities in sec. 401(k) plans, found that less than 2 percent of such plans were invested in employer securities or real property in 1993, perhaps indicating that many plan sponsors are too small to issue their own securities. However, plans with 10,000 or more participants owned 65 percent of the employer assets in such plans. *401(k) Pension Plans: Extent of Plans' Investments in Employer Securities and Real Property* (GAO/HEHS-98-28) was released Dec. 29 and is available on the GAO website at http://www.gao.gov. The Department of Labor's (DOL) ERISA Advisory Council issued another report on the same subject in Nov. 1997 that can be found at http://www.dol.gov/dol/pwba/public/adcoun/acemer.htm. The DOL report found potential problems with large plans that hold significant amounts of employer securities and, among various recommendations, urged that diversification of assets be required for older plan participants.

PWBA Issues Reports on DB v. DC Plans—DOL's Pension and Welfare Benefits Administration (PWBA) has released a report that discusses the merits of defined benefit (DB) plans versus defined contribution (DC) plans. Specifically, should DB plans continue to play a role in the private pension system, what regulatory and legislative actions are responsible for the trend toward DC plans, and are changes in the law and regulatory climate desirable? *The Merits of Defined Contribution vs. Defined Benefit Plans With an Emphasis on Small Business Concerns* was prepared by a PWBA Working Group that provided recommendations to DOL's ERISA Advisory Council, which has recommended a simplified DB plan for small businesses. The report is available on the DOL website at http://www.dol.gov/dol/pwba/public/adcoun/dbvsdc.htm.

IRS Issues Revenue Procedure on Qualified Plans—The Internal Revenue Service (IRS) has issued Revenue Procedure 98-14, which explains the process of reviewing applications for tax-qualified status of pension, profit-sharing and stock bonus plans. Specifically, the revenue procedure will provide guidance for plan sponsors who wish to comply with the changes in qualification requirements mandated by the Uruguay Round Agreements Act, the Taxpayer Relief Act of 1997, the Small Business Job Protection Act of 1996, and the Uniformed Services Employment and Reemployment Rights Act of 1994. This revenue procedure was published in *Internal Revenue Bulletin* 1998-4.

IRS Issues Guidance on Sec. 457 Plans—The IRS has issued Notice 98-8 dealing with sec. 457 plans. The notice specifically provides guidance on in-service distributions of $5,000 or less, additional elections to defer in-service distributions, cost-of-living adjustments to the $7,500 limit on maximum deferrals, and trust requirements that take effect Jan. 1, 1999. This notice was published in *Internal Revenue Bulletin* 1998-4.

For updates, please visit EBRI online at http://www.ebri.org.

Union message, may be enacted before Congress adjourns.

Health Care "Quality"

The President's Advisory Commission on Consumer Protection and Quality in the Health Care Industry are considering a public council and private forum on quality measurement. Working together, the public and private groups would, in theory, hammer out standards on quality measurement. The Commission has also been discussing the Employee Retirement Income Security Act of 1974 (ERISA) and its interaction with health benefits. Consumer advocates who have testified before the Commission have been highly critical of ERISA's preemption of state level insurance regulations and legal remedies for participants in employment-based health plans. The Quality Commission is scheduled to release its final report in March. At a mid-January Democratic unity event at the White House, President Clinton joined with his party's congressional leaders to call for the enactment of health care quality legislation.

On Capitol Hill, the Patient Access to Responsible Health Care Act (H.R. 1415/S. 644), introduced by Rep. Charles Norwood (R-GA) and

Sen. Al D'Amato (R-NY), has gathered considerable support in the House, but still has not found many supporters in the Senate. (The bill would amend ERISA to allow causes of action under state law to recover damages for medical malpractice, personal injury, or wrongful death against any "person" who provides insurance or administrative services to a health plan. This proposal has been discussed in more detail in earlier editions of *EBRI Notes/Washington Update* including June, Aug., Nov., and Dec. 1997.) Among other bills that would have a similar impact are S. 1136, sponsored by Sen. Richard Durbin (D-IL), H.R. 3009 sponsored by Rep. Frank Pallone (D-NJ), and H.R. 1749, sponsored by Rep. Pete Stark (D-CA).

Outlook: GOP congressional leaders have characterized mandatory health care quality proposals as "ClintonCareII," referring to the President's failed proposal for national health care reform in 1993–94. Voluntary action, as proposed by the President's Quality Commission, is more likely this year. However, the political pressure being brought by GOP legislators who are critical of managed care, such as Rep. Norwood, promise to make health care quality and legal liability one of the more contentious issues this year.

Retiree Medical Coverage

President Clinton has called for expanding COBRA coverage for retirees as well as allowing individuals ages 55–64 to buy into the Medicare program. His COBRA proposal calls for retirees ages 55 and older whose former employer terminates all retiree health benefits to be allowed to buy into their former employer's plan until they reach age 65. Retirees would pay 120 percent–125 percent of the premium for their coverage. According to the Clinton administration, this is designed, in part, to discourage employers from discontinuing retiree health coverage. The administration's Medicare proposal would allow individuals ages 55–61 to buy into the program if they have been laid off or displaced, while those ages 62 and older would be allowed to buy in without restriction. Premiums would be $300 per month for 62–65-year-olds and $400 per month for everyone else.

Outlook: Expect this issue to be considered by the bipartisan Medicare Reform Commission, which must report by March, 1999. See the detailed discussion in this issue of *EBRI Notes*.

EBRI in Focus

EBRI/ASEC Receive National Performance Review Award

The National Performance Review recently presented the PBGC and its partners, including EBRI and ASEC, with the Hammer Award in recognition of the success of the PBGC Pension Search Directory. Since the launch of this project in December 1996, 1,005 missing participants in pension plans for which PBGC has responsibility have been located and have received $2.1 million in pension benefits due them.

EBRI Lillywhite Award

On Jan. 22, EBRI President Dallas Salisbury presented the EBRI Lillywhite Award to George F. Russell, Jr., a pioneer in the development of investment consulting for pension plan sponsors and other institutional investors, at the *Pensions & Investments'* Defined Contribution/401(k) Conference in New York City. The award was presented during a luncheon at the conference. Other individuals present at the awards ceremony included Jane Russell and Lou Rowan of the Frank Russell Company, Mike Clowes and Nancy Webman of *Pensions & Investments*, and EBRI Trustee Richard Dunn of General Electric Company. Also attending were EBRI associates Pam Ostuw and Carol Quick.

Russell has served as chairman of the Frank Russell Company since

1958, when he took over his grandfather's small brokerage and mutual fund company in Tacoma, Washington. He started a pension fund consulting practice with a single client, the J.C. Penney Company, and built a global firm that today has retainer consulting relationships with more than 200 clients with assets of more than $1 trillion. Russell also expanded the company as an investment management firm, developing multi-manager funds and a rigorous process for evaluating investment managers.

Russell was also an early proponent of international investing, and for years has encouraged U.S. pension plans to increase their overseas investments as a means of achieving global diversification. Since 1990, Russell has administered the Russell 20-20, a group of large pension plans and large institutional investment managers dedicated to exploring capital markets in regions that are evolving from command economies to market economies. The group's exploration of emerging markets has enhanced capital flows into many of these transitional economies.

EBRI established the Lillywhite Award in 1992 to celebrate contributions by persons whose outstanding service has enhanced Americans' economic security. The award was named after Ray Lillywhite, a pioneer in the pension field who for decades guided state employee pension plans, and is underwritten by Alliance Capital Management.

Past recipients of the award include Roger Bransford, Nel Daniels, Harry L. DuBrin, Jr., John W. English, G. David Hurd, Jack E. Kennedy, Robert Kirby, the Honorable Juanita Morris Kreps, the National Council on Teacher Retirement, Claude N. Rosenberg, Jr., and TIAA-CREF.

First Annual Health Confidence Survey (HCS)

On Jan. 16, EBRI and Mathew Greenwald & Associates representatives met at EBRI with the advisory board of the first annual Health Confidence Survey to finalize the survey instrument. The survey is slated to go into the field in early February. At this writing, 17 organizations have signed on as underwriters, and interest continues to grow. It's not too late to become an underwriter! For more information on the HCS and a list of current underwriters, visit EBRI online at http://www.ebri.org/hcs/, or contact EBRI Research Associate Paul Fronstin at (202) 775-6352, e-mail: fronstin@ebri.org.

1998 Retirement Confidence Survey (RCS)

Underwriters of the 1998 Retirement Confidence Survey met in Washington, DC, on Jan. 28 to discuss the content of this year's surveys. In addition to the standard RCS questionnaire, this year's project also includes a survey of small businesses. We are also oversampling minority groups and will publish a Minority Special Report. Survey development will be finalized in February, and the survey will be fielded in March. Results will be released in the spring shortly before the National Summit on Retirement Income Saving at the White House.

It's not too late to become an underwriter of the 1998 RCS project. Given the unique nature of this year's effort, there are three levels of financial commitment. The cost of underwriting the base RCS for 1998 remains $5,000 per organization. Underwriters of the RCS constitute the survey's steering committee. The committee contributes to and participates in survey development and is briefed on the findings before public release. An additional contribution of $2,500 will help underwrite the RCS Minority Special Report. For $12,500, your organization can participate in the Small Business Retirement Survey (in addition to the RCS and the Minority Special Report).

If you are interested in funding the 1998 RCS or would like more information, visit EBRI online at http://www.ebri.org/rcs/rcs_introduction.htm, or contact Paul Yakoboski at (202) 775-6329, or e-mail at yakoboski@ebri.org.

EBRI/ASEC Launch Community Education Campaign —"Choose to Save"

January saw the launch of a media-based public education campaign on WJLA-TV Channel 7 in the Washington Metro Market and Washington's Radio News Station WTOP 1500AM/94.3FM. EBRI, ASEC, and the stations sponsored the campaign, with underwriting from Fidelity Investments. The campaign will run for six months, and will include town meetings and a one-hour Channel 7 Special. Information will be available online at www.ebri.org and www.asec.org later this month.

EBRI and the SAVER Act Implementation in Process

The Savings Are Vital to Everyone's Retirement (SAVER) Act calls for a National Summit on Retirement Income Savings. Work is under way, and implementation of education provisions of the statute continues as well. EBRI and ASEC are in a lead role in implementation assistance from the private sector.

EBRI in the News

EBRI receives a continuous stream of inquiry calls from the news media each month, resulting in print and electronic coverage at the local and national levels as well as in trade publications. A Dialog search of 56 major U.S. newspapers for the period Dec. 11–Jan 14 yielded 37 EBRI mentions and 4 ASEC mentions.

EBRI Prepares for 20th Anniversary Celebration

The countdown continues—EBRI's 20th anniversary is less than 195 days away! Have you made plans to join EBRI in celebrating its 20th anniversary on Monday, Sept. 14, 1998, with a black-tie gala to be held in New York City? Tables are going quickly—at this writing, 8 benefactor tables, 18 patron tables, and 11 seats have already been reserved, so make your reservations soon! The 10th and 15th anniversary celebrations were huge successes, so please plan to join us for this exciting event. For more information, contact Patsy D'Amelio at (202) 775-6323, e-mail: damelio@ebri.org.

Surf EBRI Online

If you haven't already visited our sites, both EBRI and ASEC are on the World Wide Web! We can be found at ebri.org and asec.org.

EBRI Members, don't forget our last three years of *Issue Briefs* and *Notes* are available in full text on the publications page. Stay up-to-date by reading EBRI press releases, congressional testimony, and our "What's New" section highlighting recent EBRI activities and events, up-to-date information on hot topics in the benefits arena, as well as links to current legislative, administrative, and various other developments. Special Features this month include special fact sheets on typical benefits packages for small and medium and large private establishments, state and local governments, and large private firms.

Educational Briefing

Research Associate Paul Fronstin will present an educational briefing on COBRA expansion Friday, February 27, at 9:30 a.m. The briefing will be held in room B-369 of the Rayburn House Office Building in Washington, DC, and is open to congressional and federal agency staff, the news media, and Washington representatives of EBRI Member organizations. For further information, please contact Bill Pierron at 202/775-6353 or Paul Fronstin at 202/775-6352.

New Publications & Internet Sites

New Publications

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

Altman, Stuart H., Uwe Reinhardt, and David Shactman. **Policy Options for Reforming the Medicare Program: Papers from the Princeton Conference on Medicare Reform**. Free. Communications Office, The Robert Wood Johnson Foundation, P.O. Box 2316, Route 1 and College Road East, Princeton, NJ 08543-2316, (609) 452-8701.

Anderson, Patricia M., Alan L. Gustman, and Thomas L. Steinmeier. **Trends in Male Labor Force Participation and Retirement: Some Evidence on the Role of Pensions and Social Security in the 1970's and 1980's**. Working Paper no. 6208. $5. National Bureau of Economic Research, Publications Department, 1050 Massachusetts Avenue, Cambridge, MA 02138, (617) 868-3900.

Baker, Laurence C., and Sharmila Shankarkumar. **Managed Care and Health Care Expenditures: Evidence from Medicare, 1990-1994**. Working Paper no. 6187. $5. National Bureau of Economic Research, Publications Department, 1050 Massachusetts Avenue, Cambridge, MA 02138, (617) 868-3900.

Buck Consultants. **401(k) Plans: Survey Report on Plan Designæ1997**. $200. Buck Consultants, Marketing Department, 500 Plaza Drive, Secaucus, NJ 07096-1533, (201) 902-2555.

Business & Legal Reports, Inc. **1997 Survey of Employee Benefits**. $99.95. Business & Legal Reports, Inc., 39 Academy Street, Madison, CT 06443-1513, (203) 245-7448.

Commerce Clearing House. **Internal Revenue Code (as of September 15, 1997)**. $52.95. CCH Incorporated, 4025 West Peterson Ave., Chicago, IL 60646-6085, (800) 248-3248.

Communicating for Agriculture, Inc. **Comprehensive Health Insurance for High-Risk Individuals: A State-by-State Analysis 1997**. $29.95. Communicating for Agriculture, 112 East Lincoln Avenue, Fergus Falls, MN 56537, (800) 445-1525.

Feldstein, Martin. **Transition to a Fully Funded Pension System: Five Economic Issues**. Working Paper no. 6149. $5. National Bureau of Economic Research, Publications Department, 1050 Massachusetts Avenue, Cambridge, MA 02138, (617) 868-3900.

Garner, John C. **Health Insurance Answer Book**. $118. Panel Publishers, 1185 Avenue of the Americas, 37th Floor, New York, NY 10036, (800) 638-8437.

Hacker, Andrew. **Money: Who Has How Much And Why**. $25. Simon & Schuster, Order Dept., 200 Old Tappan Road, Old Tappan, NJ 07675, (800) 223-2336.

Hay Group. **Hay Benefits Report: Prevalence of Benefits Practices**. $850. Hay Group, 229 South 18th Street, Rittenhouse Square, Philadelphia, PA 19103-6138, (215) 875-2300.

International Foundation of Employee Benefit Plans. (1) **Employee Benefit Issuesæthe Multiemployer Perspective**. Members, $35; nonmembers, $40; + $6. S&H. (2) **Employee Benefit Plans: A Glossary of Terms**. Members, $27; nonmembers, $30; + $6. S&H. International Foundation of Employee Benefit Plans, Publications Department, P.O. Box 69, Brookfield, WI 53008-0069, (888) 33-IFEBP, Fax (414) 786-8670, e-mail books@ifebp.org.

Investors Press. **Beyond the 401(k): Helping Employees Achieve Total Financial Security**. $25. Investors Press, 8 Titus Road, P.O. Box 329, Washington Depot, CT, 06794, (800) 773-401(k), Fax (203) 868-9733.

Jacobs, Eva E., ed. **Handbook of U.S. Labor Statistics: Employment, Earnings, Prices, Productivity, and Other Labor Data**. $59. Bernan Press, 4611-F Assembly Drive, Lanham, MD 20706, (800) 865-3457.

Krass, Stephen J. **The Pension Answer Book**. $125. Aspen Publishers, 7201 McKinney Circle, Frederick, MD 21001, (800) 638-8437.

Kvist, Jon. **Retirement Provision and the Pension Industry in the EU**. Free. The Director, European Research Institute, University of Bath, Claverton Down, Bath BA2 7AY (UK), E-mail JK@smsfi.dk.

Lewin Group, Inc. **Key Issues Affecting Accessibility to Medigap Insurance**. Free. The Commonwealth Fund, One East 75th Street, New York, NY 10021-2692, (888) 777-2744.

McGarry, Kathleen, and Andrew Davenport. **Pensions and the Distribution of Wealth**. Working Paper no. 6171. $5. National Bureau of Economic Research, Publications Department, 1050 Massachusetts Avenue, Cambridge, MA 02138, (617) 868-3900.

Rodrick, Scott S. **The Stock Options Book: How You Can Use Broad-Based Employee Stock Option Plans and Related Programs to Attract, Reward, Motivate, and Retain Employees**. $35. National Center for Employee Ownership, 1201 Martin Luther King Jr. Way, Oakland, CA 94612-1217, (510) 272-9461.

Social Security Administration. **Social Security Programs Throughout the World — 1997**. Order from GPO.

U.S. Bureau of Labor Statistics. **Report on the American Workforce, 1997 Edition**. $11. Order from GPO.

U.S. Congress. House. Committee on Commerce. **Medicare Home Health Care.** Order from GPO.

U.S. Congress. House. Committee on Education and the Workforce. **Hearing on H.R. 1515, the Expanded Portability and Health Insurance Coverage Act (EPHIC)**. Order from GPO.

U.S. Congress. Senate. Special Committee on Aging. (1) **Developments in Aging**. (2) **Improving Accountability in Medicare Managed Care: The Consumer's Need for Better Information**. (3) **Medicare Payment Reform: Increasing Choice and Equity**. Order from GPO.

U.S. General Accounting Office. **The Health Insurance Portability and Accountability Act of 1996: Early Implementation Concerns**. Order from GAO.

U.S. National Center for Health Statistics. **Health, United States, 1996-1997 and Injury Chartbook**. Order from GPO.

U.S. Pension and Welfare Benefits Administration**. QDROs: The Division of Pensions Through Qualified Domestic Relations Orders**. Free. (800) 998-7542.

William M. Mercer. **1997/98 Compensation Planning Survey**. $150, nonparticipants; $75, participants. William M. Mercer, Corporate Publications, 462 South 4th Avenue, #1500, Louisville, KY 40202, (800) 333-3070.

Wolman, William, and Anne Colamosca**. The Judas Economy: The Triumph of Capital and the Betrayal of Work**. $25. Addison-Wesley Longman Publishing Company, ATTN: Order Services, One Jacob Way, Reading, MA 01867, (800) 358-4566.

Documents Available on the Internet

Economic Security 2000
http://www.economicsecurity2000.org/

ERISA Advisory Council Working Group Reports for 1997
http://www.dol.gov/dol/pwba/public/adcoun/acintro.htm

The Kaiser/Commonwealth 1997 National Survey of Health Insurance
http://www.kff.org/archive/health_policy/uninsure/working/workingpr.html

PWBA Final Rule: HIPAA Mental Health Parity Act; Proposed Rule [12/22/97]
http://www.dol.gov/dol/asp/public/regs/fedreg/whatsnew/97033262.htm

Perspectives (Current Issues in Employee Benefits)
Milliman & Robertson
http://www2.milliman.com/milliman/publications

Testimony of Federal Reserve Board Chairman Alan Greenspan, Task Force on Social Security of the Committee on the Budget, U.S. Senate, November 20, 1997.
http://www.bog.frb.fed.us/boarddocs/Testimony/19971120.htm

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Notes

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The Employee Benefit Research Institute Education and Research Fund (EBRI-ERF) performs the charitable, educational, and scientific functions of the Institute. EBRI-ERF is a tax-exempt organization supported by contributions and grants.

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EBRI Issue Briefs are monthly topical periodicals providing expert evaluations of employee benefit issues and trends, including critical analyses of employee benefit policies and proposals. Each issue, ranging in length from 16–28 pages, throroughly explores one topic. Subscriptions to *EBRI Notes* are included as part of EBRI membership or as part of an annual subscription to *EBRI Notes* and *EBRI Issue Briefs*. Individual copies of *Notes* and *Issue Briefs* are available for $25 each, prepaid, by calling EBRI.

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Other activities undertaken by EBRI include educational briefings for EBRI members, congressional and federal agency staff, and the media; public opinion surveys on employee benefits issues; special reports; and policy studies.

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