# EBRI NOTES

EMPLOYEE BENEFIT RESEARCH INSTITUTE • 1920 N Street, NW/Suite 520/Washington, DC 20036 • (202) 659-0670

May/June 1982 Vol. 3, No. 3

## EMPLOYEE BENEFITS POLICY: THE DEBATE OVER FACTS AND DIRECTIONS INTENSIFIES

Plagued with a large federal budget deficit, Congress is considering measures to increase revenues. Several proposals have been initiated that would restrict the favorable tax treatment which presently provides incentives for employee benefit program development. At a time when the need for employer-sponsored programs is greater than ever before, such measures could result in reduced levels of health and pension protection. The proposed Pension Equity Tax Act of 1982 (H.R. 6410) along with a number of initiatives recommended by Senator Robert Dole (R-Kansas) would require the following changes:

- reductions in annual deductible contribution limits to pension plans including the elimination of automatic cost-of-living adjustments (COLAs) to these maximum contribution limits;

- reduction in the flexibility of employers to integrate private pension benefits with Social Security;

- limitations on the amount of employer-sponsored health insurance premiums that are tax deductible.

These measures would affect the general social and economic welfare of all Americans. They have broad implications for employees, employers and the Social Security program. Little detailed analysis has been undertaken, but many questions should be addressed before such sweeping alterations are given serious consideration. For example:

- Pension programs are most needed among the small employer group. Would the proposed changes discourage new pension plan creation -- particularly among small employers?

- Would the proposed changes to ERISA reduce overall private retirement income provisions?

- The recommended changes in H.R. 6410 are "targeted at high-income workers." Once implemented, however, would they have greater impact on low-income workers in small firms?

- Would proposed aggregate limits for employer contributions to both defined benefit and defined contribution plans reduce the number of employers who are willing to provide multiple plans? What impact would this have on employees?

- Will proposed integration rule changes interfere with congressional initiatives to bolster Social Security?

- How will eliminating the COLA on maximum contribution limits affect the benefits of future retirees?

- Will the revenue gains resulting from such changes prove to be cost effective? For example, these changes could contribute to reduced private retirement provisions. In turn, this may require increased public retirement program benefit protection and increased government expenditures.

These and similar questions must be examined now -- before Congress takes action.

Other initiatives also have important implications for the private pension system. Congress is considering significant changes in the Pension Benefit Guaranty Corporation (PBGC) program, and the PBGC has requested a premium increase to $6.00 (presently $2.60) per participant per year, effective January 1, 1983.

The perceived need for PBGC changes and premium increases is influenced by charges that the PBGC is in serious financial trouble. The headline of a recent Brookings Institution press release, for example, read "Private Pensions Face Tough Times." While modifications in PBGC's program, including premium increases, may be needed, such modifications should be evaluated in terms of fact. EBRI's research indicates that PBGC is solvent and has sufficient assets to pay guaranteed benefits for several years. Furthermore, under a worse case analysis, PBGC has estimated it could incur $6 billion in liabilities if all the plans that currently show signs of funding problems are terminated. However, if we consider this <u>potential liability</u> from the perspective of funds that <u>are accumulated</u> to secure pension liabilities, we find: <u>PBGC's potential $6 billion liability represents less than 2 percent of the approximate $400 billion accumulated in private sector defined benefit plan assets today.</u> Those who characterize the private pension system and the PBGC as near collapse are distorting the facts.

EBRI's research demonstrates that pension coverage and benefit security is greater than ever before. Pension plans pay benefits to over 45 percent of recently retired couples. By the turn of the century, assuming no changes in present laws, we expect over two-thirds of newly retired couples to receive pensions. Proposed changes that might disrupt this trend must be carefully analyzed.

Thorough, objective research is needed to determine the truths and myths surrounding the private and public pension systems and to evaluate all future effects of proposed legislative changes. As demonstrated by the enclosed "Special Supplement," EBRI is developing such research in an effort to minimize the unexpected and unintended results of public policy.

## EBRI HOLDS FORUM ON DEFINED BENEFIT/DEFINED CONTRIBUTION PLANS: UNDERSTANDING THE DIFFERENCES

Recent Internal Revenue Service data indicate that a high proportion of new retirement income plans are defined contribution. This trend results, in part, from federal government regulations and tax policies that have encouraged defined contribution plan growth and inhibited defined benefit plan growth.

The 1974 Employee Retirement Income Security Act, 1975 Tax Reduction Act, 1978 Revenue Tax Act, 1980 Multiemployer Pension Plan Amendment Act and 1981 Economic Recovery Tax Act have all contributed to increased interest in the defined contribution approach (i.e., money purchase pension plans, profit sharing plans, thrift plans, employee stock ownership plans, individual retirement accounts, simplified employee pension plans). Economic forces such as inflation, recession and the need for capital accumulation have also temporarily enhanced the appeal of defined contribution plans.

Defined benefit plans have different characteristics than defined contribution plans. Each offers employees different levels of benefits and different amounts of benefit protection. For example, defined contribution plans generally offer benefits that are based on career average salary. Alternatively, defined benefit plans can be -- and frequently are -- based on final pay formulas. Defined benefit plans are thus more apt to protect employees against the effects of preretirement inflation. Additionally, under defined contribution plans investment risk is assumed by the employee, but under defined benefit plans this risk is assumed by the employer.

Since the two plans offer different benefit protections, public policies favoring one plan over another have significant implications for the pensions of future retirees. Future outlays under Social Security and public welfare programs as well as the accumulation of pension fund assets, capital investment and the general economy may also be affected.

To examine the significance of apparent shifts in defined benefit/defined contribution plan growth trends, EBRI sponsored a policy forum on May 20, 1982. Speakers and discussants representing labor, academia, the corporate sector and the legal community examined the following questions: (1) What are the advantages and disadvantages of defined benefit and defined contribution plans for employees? employers? (2) Which approach offers employees the most secure retirement income promise? (3) Should the government encourage creation of defined contribution plans rather than defined benefit plans?

Although forum participants agreed that there is at least a temporary shift favoring the growth of defined contribution plans, they disagreed widely regarding: (1) whether present interest levels in defined contribution plans are permanent; (2) whether such interest will continue to grow; and (3) whether defined contribution plan growth will affect defined benefit plan growth. Consider the following comments of forum speakers:

> "... While defined benefit plans will remain a major component in the United States' private pension system, the defined contribution plan has begun to take on a more significant role and this role is likely to become greater in the years ahead."
> Everett T. Allen, Jr., Vice President
> Towers, Perrin, Forster & Crosby, Inc.

> "... a program of capital accumulation [defined contribution plan] started today looks like an attractive alternative. On the other hand, employers will recognize that defined benefit pensions can provide a more precise way of meeting the [future retirement] problem ... With the retirement age likely to change and with differing amounts of supplement needed at various times, the defined benefit pension may become a more appropriate instrument than a capital accumulation program that must invariably underachieve in attaining certain goals while overachieving in others."
> Thomas H. Paine, Partner
> Hewitt Associates

Participants agreed that each plan offers advantages and disadvantages to employees and employers. A company's size, age and financial position combine to influence whether it will assume the uncertain commitment of a defined benefit plan or the more limited commitment of a defined contribution plan. Similarly, as Attorney Edith Fierst noted, factors such as employee age, sex, income level and seniority will determine which plan is preferred by employees.

Employees and employers are presently able to select whether defined benefit or defined contribution plans best satisfy their particular circumstances. Public policies restricting this choice may interfere with the present system's efficiency. According to Charles Lambert Trowbridge, Professor of Actuarial Science, University of Michigan, both plan types "are legitimate and proven approaches to the important but sometimes difficult problem of providing adequate retirement incomes to American workers. Each approach has its strengths and each its weaknesses. There will never be a perfect retirement program of either type... intrusions of the government that tend to influence the result are to be deplored, however, if one believes that each has a place...."

Papers prepared by the speakers along with the edited forum discussion will be compiled and published by EBRI in August 1982.

## FEDERAL REGULATION OF PUBLIC EMPLOYEE PENSIONS GROWS MORE LIKELY

Recently introduced legislation in the House (H.R. 4929) and Senate (S. 2105 and S. 2106), if passed, will regulate state and local employee retirement systems. The proposed Public Employee Pension Plan Reporting and Accountability Act (PEPPRA) -- previously referred to as PERISA -- contains prudent man standards along with reporting and disclosure, prohibited transaction and fiduciary bonding provisions.

On May 11, 1982, the House version of PEPPRA cleared the full House Education and Labor Committee. Although many similar bills have been introduced, this is the first time such proposed legislation has been approved by a congressional committee. The Senate Finance Committee, Subcommittee on Savings, Pensions and Investment Policy, held hearings on PEPPRA in March 1982 but no further action has been taken.

If you would like a more detailed analysis of PEPPRA, see the following publications:

> U.S. Congress, Joint Committee on Taxation, "Description of S. 2105 and S. 2106 Relating to State and Local Public Employee Benefit Plans; Administration of Employee Benefit Plans" (Washington, DC: U.S. Government Printing Office, 1982).
>
> U.S. House of Representatives, "Public Employee Pension Plan Reporting and Accountability Act of 1982, H.R. 4929" (Washington, DC: U.S. Government Printing Office, 1982).

## NEW REGULATORY ACTIONS ON PENSION INVESTMENT IN HOUSING

The Department of Labor issued three major regulatory actions on pension plan investment in housing mortgages and related secondary-market instruments. These actions are intended to encourage pension plan investment in housing-related securities by making federal regulations conform more closely to mortgage industry practices. First, final regulations were issued that redefine the assets a plan is considered to acquire when it invests in certain federally guaranteed mortgage-backed securities. Previously, plans were considered to acquire <u>mortgages</u> that were backing the security when they purchased mortgage-backed securities. Now, plans are said to acquire the <u>security itself</u>, i.e., the issuer's promise to pay. This simplifies the task of conforming to ERISA fiduciary requirements when pension funds are invested in these securities. Second, a class exemption was issued pertaining to certain prohibited transaction provisions for forward commitments and direct mortgage holdings. Finally, the Department proposed amendments to a previously issued class exemption for certain transactions involving mortgage pool trusts. These notices are contained in the Federal Register, May 18, volume 47, no. 96.

## TWO EBRI PUBLICATIONS NOMINATED FOR KULP-WRIGHT AWARD

Two of EBRI's books -- <u>Analysis of Alternative Vesting Requirements for Private Pensions</u> and <u>Should Pension Assets be Managed for Social/Political Purposes?</u> -- have been nominated for the Kulp-Wright Award by the American Risk and Insurance Association. This award recognizes the best risk and insurance publication of 1980. In August, the award will be presented at the Annual Meeting of the American Risk and Insurance Association in Denver.

## NEW RESEARCH FINDINGS

### IRA Assets Show Significant Growth

EBRI collects employee benefit information from a broad range of sources. We have recently compiled data which show that the 1981 Economic Recovery Tax Act (ERTA) is impacting on the use of Individual Retirement Accounts (IRAs) -- see Table 1. Present sources do not provide the information needed for a more detailed evaluation. Please let us know if you have data that would be useful in our future analysis of detailed questions about IRA utilization.

## EBRI STAFF PARTICIPATES IN EMPLOYEE BENEFIT CONFERENCES

Dallas L. Salisbury, Executive Director of EBRI, provided educational presentations to numerous conferences on employee benefit issues in March, April and May. Mr. Salisbury spoke at the: (1) New England Pension Conference's Annual Symposium; (2) International Foundation of Employee Benefit Plans Advanced Trustees Conference and Corporate Benefits Conference; (3) Texas State Retirement System's Board of Trustees; (4) Society of Actuaries' Spring Meeting; (5) National Conference on Public Employee Retirement Systems; (6) Risk Insurance Management Society's Annual Conference; (7) Western Pension Conference's Annual Chapter Meetings in Seattle and Portland; (8) Investment Technology Association's Pension Investments Conference; (9) Institutional Investor Pension Conference; (10) Association of Private Pension and Welfare Plans' Annual Conference; and (11) Southwest Pension Conference's Annual Meeting.

Sylvester Schieber, EBRI's Research Director, participated in the National Bureau of Economic Research conference on pensions. He also presented a paper entitled "Retirement Policy Schizophrenia: Do We Really Want the Elderly to Work?" at the National Council on Alternative Work Patterns' conference on phased retirement.

Deborah Chollet, a Research Associate at EBRI, presented a paper entitled "Insured Liability for Medical Injury: The Production of Safety in Medical Care" at the 1982 Risk Theory Seminar held in Columbus, Ohio on April 22-24. The Risk Theory Seminar is affiliated with the American Risk and Insurance Association. Chollet's paper summarizes results of her earlier research which assesses the medical malpractice insurance premium assignment as a factor in generating claims cycles. The research indicates that medical malpractice insurance pricing may have affected the safety of physician practice between 1970 and 1974. Chollet concludes that large risk pools, without experience rating, may create substantial subsidies to high-risk physicians which encourage the continuation of unsafe practice. Conversely, physicians with good claims experience may be unfairly burdened. These results are based on medical malpractice claims closed against New York State physicians in 1976.

Copies of the paper are available for $3.00 from EBRI Publications, 1920 N Street, NW, Suite 520, Washington, DC 20036 (202) 659-0670.

## *1982 EBRI RESEARCH AND REPORTS*

### RESEARCH IN PROGRESS

#### Integration of Private Pension Plans and Social Security

For more than thirty years, pension plans have coordinated -- or integrated -- their benefits with Social Security. Concepts and methods of integration have been continually redefined and extended. Most of these changes responded to: (1) Social Security Act amendments which raised benefit and taxable earnings levels; and (2) the changed estimates of Social Security benefits, which are used in determining pension benefits, as a result of redefined integration limits. Consequently, integration (originally a simple concept) is now burdened with formidable jargon and complex regulatory rules.

The intent, implementation and implications of integration are among the most misunderstood aspects of pension policy. EBRI's study is intended to clarify these misconceptions. The study provides: (1) definition of terms; (2) legislative and regulatory history of integration provisions; (3) explanations of how integration works and of currently used integration methods; (4) estimates of the extent of integration; and (5) discussion of current integration issues and recent proposals to change integration regulations.

The study will be completed this summer. For more information, contact Sylvester Schieber (202) 463-8148.

#### Retirement Income Opportunities in an Aging America: Pensions and the Economy

Social Security is undergoing financial difficulty and more and more attention is focusing on the strength of the private pension system. EBRI's ongoing research indicates that private pension plans are strong and growing. This research is based on the most recent and comprehensive data available. Preliminary results show that of plans with at least 1,000 participants, more than one-fifth of multiemployer plans and nearly one-half of single employer plans have assets equal to or greater than the value of total vested liabilities. Among plans with less than 1,000 participants, one-third of multiemployer plans and more than one-half of single employer plans are fully funded or over funded; among large corporate plans, 95 percent have unfunded liabilities that are less than 30 percent of their sponsors' net worth; and among smaller plans, more than 90 percent are similarly funded.

EBRI expects to publish the report this fall. For further information, contact Sophie Korczyk (202) 463-8148.

Analysis of Plans That Provide Income Replacement When Employment Terminates

Relatively little is known about the income replacement programs that provide benefits to workers upon employment termination. Under these programs, workers who become ill, disabled or unemployed can receive benefits that replace a portion of their earnings. Particularly during recessions, these benefits are important.

Wayne Vroman at The Urban Institute is developing this study for EBRI. The study will provide a comprehensive overview of income replacement issues including: (1) descriptions of individual job termination and unemployment benefit programs; (2) benefit overlap and adequacy; (3) cost and funding; and (4) the economic effects of these income replacement programs on workers, employers and the overall economy.

EBRI expects to publish the study this fall. For more information, contact Sophie Korczyk (202) 463-8148.

The Relationship Between Social Security Policy and Pensions -- A History of Benefit Growth

The 1977 Social Security Amendments established a retirement benefit structure virtually identical to the benefit structure contained in the 1939 legislation. The Amendments, however, failed to recognize the evolution of other available public and private retirement programs.

This research assesses the implications of growth in various retirement income components for Social Security policy. Since the Social Security Administration and Congressional Budget Office are developing analyses of the short-term problems, EBRI's study will focus primarily on long-term problems and their potential solutions. EBRI believes this analysis will be central to the National Commission on Social Security Reform's debate and eventual recommendations to Congress.

The study will be available late in 1982. For further information, contact Sylvester Schieber (202) 463-8148.

Employer-Provided Health Benefits: Provisions, Coverage and Policy Issues

Employer-provided group health plans represent the single most important source of private health insurance coverage in the United States. Three-quarters of the civilian work force and over three-fifths of the civilian population reported that they were covered under an employer-provided group health plan in 1979. The prevalence of these plans have made them a target of public and private initiatives which seek to control health care cost inflation by reducing insurance coverage.

EBRI's forthcoming report will examine: (1) access to employer-provided group coverage in the United States; (2) the kinds of health services covered by these plans; and (3) the opportunity for such plans to provide an effective, equitable basis for health care cost containment. Broader policy issues, including the tax treatment of employer contributions and the role of public insurance programs in assuring adequate health coverage are discussed.

The study will be completed at the end of 1982. For more information, contact Deborah Chollet (202) 463-8148.

PUBLISHED BOOKS

America in Transition: Implications for Employee Benefits

Just Released -- EBRI's Education and Research Fund sponsored a policy forum on November 10, 1981 entitled "The Effect of Changing Family Relationships on Employee Benefit Programs." Employee benefit professionals, public opinion experts and futurists attended. Speakers made presentations on changing trends and values in America and their impact on Social Security and employee benefit programs. Selected presentations and the edited forum discussion are compiled in this volume. The following topics are explored: (1) changing demographic, work force, attitudinal and technological trends; (2) the implications of these trends for employees, employers and public welfare institutions; (3) experiences with new benefit approaches, e.g., flexible benefit programs; and (4) the costs and benefits of such approaches for employers and employees. This publication also includes a bibliography on flexible benefit programs. Copies are available for $10.00.

Retirement Income Opportunities in an Aging America: Income Levels and Adequacy

This publication examines the wide range of income sources available to the elderly. These include Social Security, employer pensions, personal assets and public assistance programs. The report discussses: (1) alternative measures of household income; (2) alternative standards of income adequacy; and (3) problems associated with the development and application of income standards such as the official poverty level. A review of recent policy proposals and their potential effects on the elderly's income is provided. This book was published in February 1982. Copies are available for $10.00.

PAPERS

"Retirement Policy Schizophrenia: Do We Really Want the Elderly to Work?"
Sylvester J. Schieber, reference #P-4, 19 pages - $2.00.

"The Private Pension System in the United States."
Dallas L. Salisbury, reference #P-5, 40 pages - $4.00.

"Employee Benefits in Transition."
Dallas L. Salisbury, reference #P-6, 8 pages - $1.00.

"Universal Social Security Coverage and Alternatives: The Benefits and Costs."
Sylvester J. Schieber, reference #P-7, 56 pages - $5.00.

ARTICLES

"Benefit Trends in the 80s," Personnel Journal, February 1982, p. 104.
Dallas L. Salisbury, reference #A-6, 3 pages - $1.00.

## SPEECHES

"Insured Liability for Medical Injury: The Production of Safety in Medical Care," Risk Theory Seminar presentation.
Deborah Chollet, reference #S-26, 27 pages - $3.00.

## TESTIMONY

"Private Pensions and the PBGC: Strength for the Future," submitted to the Senate Committee on Labor and Human Resources, Subcommittee on Labor, May 19, 1982 and the House Select Committee on Aging, June 7, 1982.
Sophie Korczyk, reference #T-7, 9 pages - $1.00.

"Pension Equity Tax Act of 1982 (H.R. 6410)," presented to the House Ways and Means Committee, June 10, 1982.
Sylvester J. Schieber, reference #T-9, 12 pages - $1.50.

*ALL PUBLICATIONS ARE AVAILABLE THROUGH EBRI, 1920 N STREET, NW, SUITE 520, WASHINGTON, DC 20036 (202) 659-0670.*

TABLE 1

Assets in IRAs by Type of Financial Institution

| | Year End 1979 | 1980 (millions) | 1981 | 1982 Jan. 31 | Feb. 28 (millions) | Mar. 31 | Apr. 30 | Percent Increase 12/31/81 - 4/30/82 |
|---|---|---|---|---|---|---|---|---|
| Commercial Banks | $4,900 2,3/ | $5,700 2,3/ | $7,000 2/ | $ 8,700 | $10,166 | $11,660 | $13,008 4/ | 85.8% |
| Mutual Savings Banks | 2,031 | 2,689 | 3,400 | 3,700 | 3,900 | 4,200 | 4,500 | 32.4 |
| Savings & Loan Associations | 6,100 3/ | 8,100 3/ | 9,200 3/ | 10,500 3/ | 14,377 | 15,493 | 16,310 4/ | 77.3 |
| Credit Unions | N/A | N/A | 205 | 280 3/ | 352 | 447 | 538 4/ | 162.4 |
| Mutual Funds | 453 | 795 | 2,600 | 2,900 | 3,100 | 3,800 | N/A | 46.2 1/ |
| Life Insurance Companies | 2,465 | 3,020 | N/A | N/A | N/A | N/A | N/A | N/A |

Source: EBRI's calculations are based on data provided by the Federal Reserve Board, National Association of Mutual Savings Banks, National Credit Union Administration, U.S. League of Savings Associations, Investment Company Institute and American Council of Life Insurance.

1/ Through March 31, 1982.
2/ IRA and Keogh Deposits.
3/ Estimated.
4/ Preliminary.

## OUTSIDE ACTIVITIES AND PUBLICATIONS

### National Older Worker Information System (NOWIS)

The University of Michigan's Institute of Gerontology, in cooperation with the U.S. Administration on Aging, is developing a computerized National Older Worker Information System (NOWIS). It is intended to be a resource for employers, unions and other agencies who are interested in maximizing the productive use of older workers.

The system is expected to be operational this fall and will provide information about older worker programs that are targeted at the specific demands of various work settings (e.g., job redesign, phased retirement, flexible scheduling, job sharing). Several types of information will be available through NOWIS: (1) examples of older worker programs operating within companies; (2) examples of programs operating outside companies (e.g., employment placement programs); and (3) training materials on working with older employees.

NOWIS will offer individuals and organizations "custom information packages" including: (1) examples of program models that are related to the concerns and needs of specific individuals and organizations; (2) information about the implementation process (e.g., the experience of others, training materials, general guidelines); and (3) detailed information sources.

For more information contact: Lawrence S. Root, Project Director, University of Michigan, 520 East Liberty Street, Ann Arbor, MI 48109 (313) 764-3493.

### Trends in Federal Legislation Affecting Health Insurance
By Deborah Chollet and Ann Costello

This article summarizes proposed federal health insurance legislation. The article discusses the increasing interest in nontraditional federal health insurance plans. (A traditional plan is one in which the federal government directly insures health care expenditures. In a nontraditional plan, coverage would be provided through private sector insurance plans with federal government regulation.) Proposed nontraditional plans fall into two categories: (1) those that promote wide access to catastrophic coverage; and (2) those that seek to contain medical care costs by promoting greater competition among insurers. Conceptual and administrative problems associated with procompetition proposals are discussed. Best's Review published the article in its March 1982 Life/Health Insurance edition -- see pages 22-24, 102-104.

For more information contact Deborah Chollet, EBRI, 1920 N Street, NW, Suite 520, Washington, DC 20036 (202) 463-8148.

### An Overview of the National Potential for Home Equity Conversion into Income for the Elderly
By Bruce Jacobs

Home equity is the major asset held by older homeowners. Nearly three-fourths of Americans who are over age sixty-five live in their own homes. Until recently, the elderly have not been able to use their homeownership assets to purchase other goods and services, unless they were willing to convert them into cash by selling or mortgaging their homes. This report discusses reverse annuity mortgages -- the new private and public programs which permit conversion of home equity into income while simultaneously allowing elderly persons to remain in their homes. Estimates of the national potential for home equity conversion into income are provided. These estimates are based on Annual Housing Survey data, and they indicate that one-fourth of those below the poverty line could rise above this income line through reverse annuity mortgages.

For further information contact: Bruce Jacobs, Associate Professor, Public Policy Analysis Program, 312 Harkness Hall, University of Rochester, Rochester, NY 14627 (716) 275-2121.

National Health Insurance: A Pragmatic Approach
By Harry Schwartz

This monograph examines the arguments that favor development of a universal comprehensive national health insurance (NHI) program in the United States. Schwartz identifies the following three "common misconceptions of NHI proponents": (1) The health of Americans is unsatisfactory. (2) Many Americans cannot afford to pay for health care. (3) The development of an NHI program can provide high quality medical care while at the same time controlling costs.

Schwartz claims that "Any comprehensive universal NHI plan would be inherently flawed. When medical services are offered at a zero-price, the demand for those services is virtually unlimited. Schwartz argues that any attempt to ration health care within a budget would factionalize recipients vying for services. He conjures up a picture of the Gray Panthers lobbying for services at the expense of expectant mothers or the mentally retarded. Schwartz contends that the NHI budget would balloon under political strains and deplete the services of other social programs in order to compensate."1/

Schwartz concludes that the United States would experience many of the same difficulties that exist in NHI systems in Great Britain, Canada and Italy. For example: (1) continual and growing inequalities of care; (2) deterioration in quality of care; (3) soaring costs; (4) care becomes increasingly impersonal, routine and bureaucratic; (5) long waits for hospital care; (6) wasteful allocation of resources; (7) failure to implement modern medical technology.

For more information contact: Jake Gallerano, Center for Health Policy Studies, University of Dallas, Irving, TX 75061 (214) 579-5000.

The Public Affairs Handbook
Edited by Joseph S. Nagelschmidt

Amacom, a division of American Management Associations, has just released this publication of collected essays by forty-one public affairs practitioners. The essays focus on the following areas: (1) an overview of the profession; (2) public affairs management; (3) public policy; (4) government relations; (5) corporate influence in local communities; (6) communications; and (7) education and training.

For more information contact: American Management Association, 135 West 50th Street, New York, NY 10020 (212) 245-0660.

1/ Synopsis provided by the Center for Health Policy Studies, University of Dallas.

The Employee Benefit Research Institute (EBRI) was established in 1978 to contribute to the development of public policy in the employee benefit field. EBRI, a nonprofit organization, has a broad membership that includes private sector companies and individuals with interests in employee benefit education, research and public policy.

EBRI also has a separate Education and Research Fund (ERF) which is operated exclusively to conduct charitable educational and research activities. The Fund is tax exempt under section 501(c) (3) of the Internal Revenue Code and is not a private foundation. EBRI Associates make contributions or grants to the Fund which are deductible as charitable contributions.

EBRI's policy forums, research studies, issue briefs, pamphlets and other publications aid public and private sector decision makers, managers, the press and the general public in formulating and articulating positions on employee benefit issues. As health and retirement issues receive increasing attention, the Institute strives to make effective and responsible contributions to public policy.

**RETURN TO: EBRI, 1920 N Street, NW/Suite 520/Washington, DC 20036 (202) 659-0670**

***EBRI NOTES,*** a bimonthly newsletter, includes information about: 1) newly released employee benefit statistics; 2) brief summaries of EBRI's ongoing research studies and forum discussions; and 3) reviews of outside research and publications.

***ISSUE BRIEFS,*** published monthly, offer summary information and critical analysis of evolving employee benefit issues and trends.

EBRI's Members and Associates receive an annual subscription to *EBRI Notes/Issue Briefs* with their membership. Nonmember subscriptions to *EBRI Notes/Issue Briefs* are available for $100 annually.

[ ] I would like information on becoming an EBRI Member or Associate.

[ ] I would like to subscribe to *EBRI Notes/Issue Briefs*. My check for $100 is enclosed.

| NAME | TITLE | TELEPHONE | |
|---|---|---|---|
| STREET ADDRESS | CITY | STATE | ZIP CODE |
| ORGANIZATION | TYPE OF ORGANIZATION | AREA OF INTEREST | |



EBRI

EMPLOYEE BENEFIT RESEARCH INSTITUTE
1920 N Street NW/ Suite 520/Washington, DC 20036

Address Correction Requested
Return Postage Guaranteed

Bulk Rate
U.S. Postage
PAID
Permit No. 1618