



## *Fast Facts from EBRI*

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### **Retiree Health Insurance: Fact and Figures**

WASHINGTON—What do recent reports say about employment-based retiree health benefits?

#### **Overall trend:**

The trend in recent years among employers has been away from retiree health benefits, even in large firms. According to Mercer, in 1993, 46 percent of employers with 500 or more employees offered health benefits to early retirees. By 2006, it was down to 29 percent. In 1993, 40 percent offered health benefits to Medicare-eligible retirees. By 2006, it was down to 19 percent.

Retirees with benefits are more likely to be male, white, and educated, and to have worked in manufacturing or the public sector. They also were more likely to have been employed by a large firm, had relatively high income, and belonged to a union.

#### **Number of retirees with employment-based health benefits:**

- 28.7 percent of early retirees had retiree health benefits in their own name in 2002.
- 25.5 percent of Medicare-eligible retirees had retiree health benefits in own name in 2002.
- 47.4 percent of workers ages 45–64 were expecting retiree health benefits upon retirement in 2002.

Source: March 2005 *EBRI Issue Brief* <http://www.ebri.org/pdf/briefspdf/0305ib.pdf>

#### **Possible eligibility rates among workers:**

The percentage of private-sector workers employed at establishments offering health benefits to retirees has been declining.

- In 1997, 31 percent of private-sector workers were employed by firms that offered retiree health benefits. By 2003, this was down to 22 percent.
- Not all workers *employed* by firms offering retiree health benefits will be *eligible* for the benefit. Employers are increasingly restricting eligibility. New hires, for example, are often not eligible for retiree health benefits.

Source: July 2006 *EBRI Issue Brief* (Updated) [http://www.ebri.org/pdf/briefspdf/EBRI\\_IB\\_07-20061.pdf](http://www.ebri.org/pdf/briefspdf/EBRI_IB_07-20061.pdf)

#### **Employer offer rates:**

The percentage of employers offering health benefits to retirees has been declining.

- In 1997, 22 percent of private-sector establishments offered health benefits to early retirees. By 2005, this was down to 13 percent.
- In 1997, 20 percent of private-sector establishments offered health benefits to Medicare-eligible retirees. By 2005, this was down to 13 percent.

Source: July 2006 *EBRI Issue Brief* (Updated) [http://www.ebri.org/pdf/briefspdf/EBRI\\_IB\\_07-20061.pdf](http://www.ebri.org/pdf/briefspdf/EBRI_IB_07-20061.pdf)

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