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Employers Offering Retiree Health Benefits to Early Retirees: How Has It Changed?

WASHINGTON— How has the percentage of employers offering retiree health benefits to early retirees changed? Examining 1997–2009 data for private-sector establishments, the nonpartisan Employee Benefit Research Institute (EBRI) finds the “offer rate” has dropped significantly in recent years. Here are the results:

- Overall, 6.2 percent of private-sector establishments offered health benefits to early retirees in 2009.
- Large employers are much more likely to offer retiree health benefits than small employers: 34.2 percent of employers with 1,000 or more workers offered them, compared with less than 1 percent among employers with fewer than 10 workers.
- Between 1997 and 2009, the percentage of private-sector employers offering health benefits to early retirees fell from 11.3 percent to 6.2 percent. Among the largest employers, it fell from 51.9 percent to 34.2 percent.

The EBRI estimates are based on the latest available data (for 2009) from the Agency for Health Care Research and Quality’s Medical Expenditure Panel Survey—Insurance Component.

	Total	< 10	10–24	25–99	100–999	1,000+
1997	11.3%	2.9%	6.6%	12.2%	23.5%	51.9%
1998	8.9%	1.4%	4.7%	9.6%	18.6%	44.5%
1999	8.4%	1.4%	3.5%	8.0%	16.0%	41.4%
2000	7.1%	0.7%	1.9%	4.4%	11.6%	37.1%
2001	6.6%	0.3%	0.9%	1.5%	7.1%	40.0%
2002	7.2%	0.4%	0.9%	2.1%	8.5%	42.7%
2003	7.9%	0.5%	1.6%	2.4%	9.9%	41.7%
2004	7.7%	0.4%	1.3%	2.7%	8.2%	44.3%
2005	7.0%	0.6%	0.8%	2.4%	9.2%	40.1%
2006	7.3%	0.6%	1.1%	2.4%	7.8%	40.0%
2007	Information not available					
2008	6.3%	0.5%	1.1%	2.0%	7.6%	35.7%
2009	6.2%	0.4%	1.0%	2.0%	7.1%	34.2%

Source: www.meps.ahrq.gov/mepsweb/data_stats/summ_tables/insr/national/series_1/2009/tia1.htm,
www.meps.ahrq.gov/mepsweb/data_stats/summ_tables/insr/national/series_1/2009/tia2.htm,
and www.meps.ahrq.gov/mepsweb/data_stats/summ_tables/insr/national/series_1/2009/tia2e.htm

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