



PROGRAM

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PERSPECTIVES

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STATE AND LOCAL GOVERNMENT BENEFITS

A snapshot of State and local government employee benefits

State and local government employees typically have access to a number of major benefits in their compensation packages, including health care, retirement and savings, and paid leave. In many cases, State employees have similar or more generous benefits when compared with local government workers, but differences in occupational employment can have an impact on some benefits.

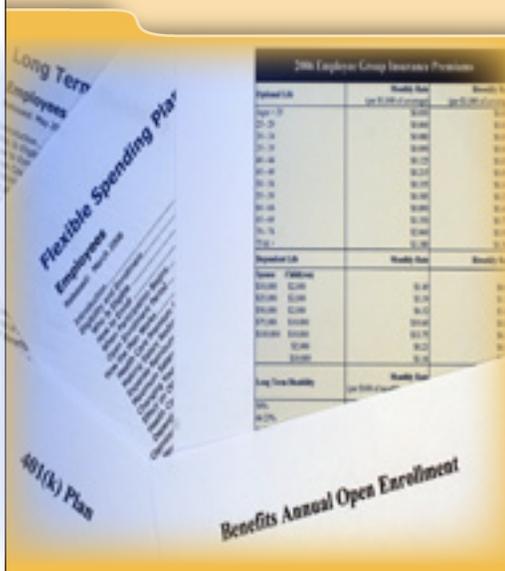
This issue of *Program Perspectives* reviews occupational distribution between State and local government sectors and examines data on benefit availability and participation in each sector. Estimates of State and local government benefit provisions in this issue are from the U.S. Bureau of Labor Statistics (BLS) “National Compensation

Survey: Employee Benefits in the United States, March 2010,” available online at http://www.bls.gov/ncs/ebs/benefits/2010/ownership_government.htm.

State and local government employment

As of March 2010, State and local governments employ over 15 percent of the 129 million non-farm workers in the United States. According to “The Employment Situation—March 2010” issued by the Current Employment Statistics program at BLS, State governments employed about 5.3 million workers in March 2010, with educational employment accounting for about 48 percent of the total. Local governments em-

continued inside ►



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Benefit Series

STATE AND LOCAL GOVERNMENT EMPLOYEE BENEFITS

SICK LEAVE AND DISABILITY BENEFIT COMBINATIONS

DEFINED-CONTRIBUTION RETIREMENT PLAN TYPES

HIGH DEDUCTIBLE HEALTH PLANS

HEALTH BENEFIT COSTS BY WAGE CATEGORY

DEFINED-CONTRIBUTION PLAN INVESTMENT CHOICES

OUTPATIENT PRESCRIPTION DRUG COVERAGE

TABLE 1

Retirement and health care benefits: Access and participation of State and local government workers, National Compensation Survey, March 2010, in percent

Benefit	Access		Participation	
	Government type		Government type	
	State	Local	State	Local
All retirement benefits	92	89	87	85
Defined-benefit plans	87	83	78	79
Defined-contribution plans	43	24	25	14
Health care	94	86	87	75
Medical care	94	86	82	69
Dental care	59	53	52	45
Vision care	49	33	37	28
Outpatient prescription drug coverage	93	84	82	68

from cover page

employed 14.7 million workers, with 57 percent employed in education.¹

State government employment is more widely diversified than local government employment. According to “Occupational Employment and Wages by Ownership, May 2009” issued by the BLS Occupational Employment Statistics program, the largest occupations in State government are correctional officers and jailers, office clerks, registered nurses, and executive secretaries and administrative assistants. Approximately 700,000 employees work in these occupations, or over 15 percent of State

¹ For details on State and local government employment, see table B-1 in “The Employment Situation—May 2010,” available online at http://www.bls.gov/news.release/archives/empisit_06042010.pdf.

government employment. In contrast, the largest occupations in local government are in education, specifically teaching. The largest four occupations in local government are elementary school teachers (except special education), teacher assistants, and secondary school teachers (except special and vocational education), and middle school teachers (except special and vocational education). These occupations account for nearly 4 million local government employees, or 27 percent of local government employment.

Benefit access and participation

Retirement and savings, health care, and paid leave, are among the most common benefits for State and local government employees,

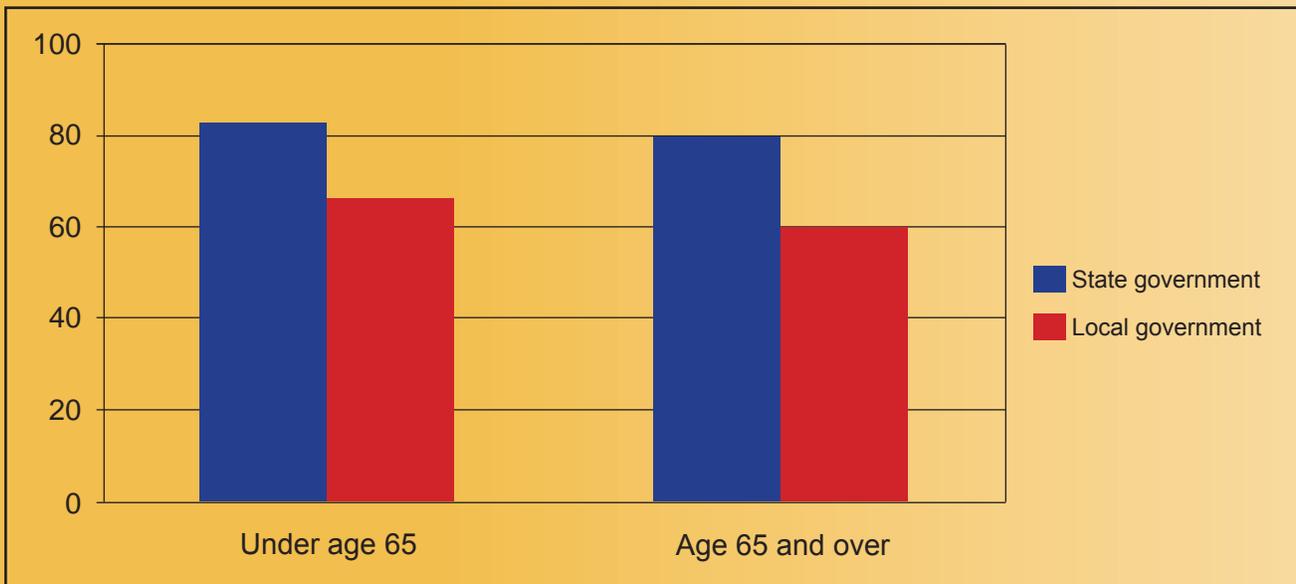
although access and participation of the benefits can vary.

Retirement and savings. Retirement and savings plans, including defined-benefit and defined-contribution plans, are offered to the majority of State and local government employees. As shown in table 1, 92 percent of State government workers had access to retirement plans, and 89 percent of local government workers had access to a retirement plan.

Defined-benefit retirement plans were available to 87 percent of State government workers and 83 percent of local government workers. Nearly all government workers who had access to a defined-benefit retirement plan participated. Defined-contribution plans, on the

CHART

Retiree health care benefits: Access of State and local government workers, National Compensation Survey, March 2010, in percent



other hand, were offered to only 43 percent of State government workers and 24 percent of local government employees. Because defined-contribution plans often require a voluntary employee contribution, participation was less common for both State and local government employees. Teachers showed lower levels of access and participation in defined-contribution plans, which contributed to the lower rate for local government employees.

Health care. Health care is a collective term for medical, dental, and vision care benefits granted through insurance plans; it also includes coverage of outpatient prescription drugs. Among State government

workers, 94 percent had access to medical plans; 86 percent of local government workers had such access and most elected to receive coverage. (See table 1.) Fifty-nine percent of State government workers and 53 percent of local government workers had access to dental care, and the majority of these employees participated in such plans. State government employees had higher access rates for vision care than local government workers (at 49 percent and 33 percent, respectively). The majority of both State and local government employees had access to and participated in outpatient prescription drug coverage.

A majority of State government

employees had access to retiree health care benefits for those who were under age 65 (83 percent) and age 65 or over (80 percent). The corresponding access for local government workers was 66 and 60 percent, respectively. (See chart.)

Paid leave. Access to paid leave plans for State and local government workers varied widely by benefit type, but the majority of employees had access to nearly all paid leave benefits except paid family leave. State employees had similar or higher access rates for most paid leave plans when compared with local government employees. Differences in access rates between State and local government employees were

GLOSSARY

Access to a benefit plan. Employees are considered to have access to a benefit plan if it is available for their use. For example, if an employee is permitted to participate in a retirement plan offered by the employer, he or she is placed in a category with those having access to a retirement plan, regardless of whether he or she chooses to participate.

Participation. Participation is the percent of employees who actually enroll in a benefit plan. A plan may be a contributory plan, which requires an employee to contribute to the plan's cost in order to participate, or it may be a noncontributory plan in which the employer pays 100 percent of the cost of the benefit.

Defined-benefit plan. A defined-benefit retirement plan provides employees with guaranteed retirement benefits that are based on a benefit formula. A participant's retirement age, length of service, and pre-retirement earnings may affect the benefit received.

Defined-contribution plan. A defined-contribution retirement plan specifies the level of employer contributions and places those contributions into individual employee accounts. Retirement benefits are based on the level of funds in the account at the time of retirement.

Medical care. Medical care provides coverage for the treatment and prevention of a broad range of illnesses and injuries, and can include coverage for surgical care, visits to a physician, or hospital care with inpatient hospital charges.

Outpatient prescription drug care. Prescription drug care provides coverage for out-of-hospital prescription drugs. Usually, coverage does not include such items as medical appliances or devices, in-hospital drugs, blood, and blood plasma.

Retiree health care. Retiree health care is a health plan that provides coverage to a retiree beyond what is mandated by COBRA or other health care insurance continuation laws. Coverage must include items typically found in a medical plan (such as hospitalization and doctors' care).

Family leave. Family leave is given to employees to care for a family member who is ill. Leave may also be available to care for a newborn child, an adopted child, or a sick adult relative. Family leave may be paid or unpaid.

TABLE 2

Paid leave benefits: Access of State and local government workers, National Compensation Survey, March 2010, in percent

Benefit type	Government type	
	State	Local
Paid holidays	90	60
Paid sick leave	94	88
Paid vacations	86	51
Paid personal leave	54	61
Paid funeral leave	90	83
Paid jury duty leave	94	90
Paid military leave	88	71
Family leave		
Paid	19	16
Unpaid	97	93

especially notable for paid holidays and paid vacations. Ninety percent of State government workers had access to paid holidays versus 60 percent of local government workers. Eighty-six percent of State government workers had access to paid vacations versus 51 percent of local government workers. (See table 2.) Local govern-

ment workers had less access to paid holidays and paid vacations partly because teachers make up a larger percentage of employees than in State government. Teachers and other employees in schools are commonly employed on the basis of 9- or 10-month contracts and often do not receive formal holiday and vacation benefits. ●

The next *Program Perspectives* will feature sick leave and disability benefit combinations.

For additional assistance on benefits, contact one of our information offices:

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