

Table 37. Traditional defined benefit plans: Early retirement reductions,¹ private industry workers, National Compensation Survey, 2014

(All workers participating in traditional defined benefit plans with early retirement = 100 percent)

Characteristics	Flat percent per year reduction ²	Reduction varies by age or service ³	Actuarial reduction ⁴	Other reduction ⁵	Not determinable
Worker characteristics					
All workers	39	44	14	—	3
Management, professional, and related	30	42	—	—	5
Management, business, and financial	37	37	—	—	—
Professional and related	27	45	—	—	8
Service	31	45	—	—	2
Sales and office	32	56	11	—	1
Sales and related	20	61	—	—	4
Office and administrative support	37	54	9	—	(⁶)
Natural resources, construction, and maintenance	62	33	—	—	1
Construction, extraction, farming, fishing, and forestry	61	33	—	—	—
Installation, maintenance, and repair	62	32	—	—	1
Production, transportation, and material moving	42	46	—	—	2
Production	32	55	—	—	4
Transportation and material moving	49	38	—	—	—
Full time	40	42	15	—	3
Part time	34	57	—	—	(⁶)
Union	48	39	—	—	1
Nonunion	29	49	17	—	4
Average wage within the following categories ⁷ :					
Lowest 25 percent	—	60	—	—	(⁶)
Second 25 percent	29	52	—	—	1
Third 25 percent	43	42	—	—	1
Highest 25 percent	43	40	13	—	4
Highest 10 percent	37	46	—	—	3
Establishment characteristics					
Goods-producing industries	40	47	—	—	1
Construction	60	34	—	—	—
Manufacturing	29	59	—	—	2
Service-providing industries	39	42	16	—	3
Trade, transportation, and utilities	37	53	—	—	—
Wholesale trade	—	64	—	—	—
Retail trade	—	75	—	—	—
Transportation and warehousing	63	—	—	—	—
Utilities	69	—	—	—	—
Information	56	—	—	—	—
Financial activities	39	46	—	—	3
Finance and insurance	35	49	—	—	3
Credit intermediation and related activities ..	—	68	—	—	—
Insurance carriers and related activities	33	46	—	—	7
Education and health services	39	33	—	—	6
Educational services:					
Junior colleges, colleges, and universities	47	37	—	—	8
Health care and social assistance	42	—	—	—	7

See footnotes at end of table.

Table 37. Traditional defined benefit plans: Early retirement reductions,¹ private industry workers, National Compensation Survey, 2014—continued

(All workers participating in traditional defined benefit plans with early retirement = 100 percent)

Characteristics	Flat percent per year reduction ²	Reduction varies by age or service ³	Actuarial reduction ⁴	Other reduction ⁵	Not determinable
1 to 99 workers	48	37	—	—	1
1 to 49 workers	57	34	—	—	1
50 to 99 workers	36	41	—	—	—
100 workers or more	36	47	15	—	3
100 to 499 workers	36	44	—	—	3
500 workers or more	35	49	—	—	4
Geographic areas					
Northeast	46	41	12	—	(⁶)
New England	51	48	—	—	—
Middle Atlantic	45	40	15	—	1
South	41	43	—	—	3
South Atlantic	43	45	9	—	3
West South Central	35	42	—	—	4
Midwest	36	49	—	—	4
East North Central	37	49	—	—	1
West North Central	33	48	—	—	12
West	32	43	—	—	3
Mountain	—	67	19	—	3
Pacific	38	36	—	—	3

¹ Early retirement is the age, length of service, or combination of age and length of service, requirements at which plan participants may retire and receive all accrued benefits, minus a reduction or penalty.

² Formerly uniform reduction and reflects a reduction in the benefit amount for each year by which early retirement precedes normal retirement. In specific cases, flat percent per year reductions may approximate actuarial reductions, such as early retirement at age 55 with a reduction of 6 percent per year between age 55 and the plan's normal retirement age of 62.

³ The rate of reduction is held constant within age brackets, but differs among brackets, sometimes in approximation of an actuarial table. For example, benefits may be reduced by 6 percent for each year between age 60 and the plan's normal retirement age, and by 3 percent for each year retirement precedes age 60. Also includes some plans that reduce benefits arithmetically for each year immediately below normal retirement age and actuarially below a specified age, usually 55.

⁴ The amount of the normal retirement benefit is reduced based on actuarial assumptions, so that on average, the beneficiary receives the same total lifetime benefit regardless of retirement age.

⁵ Reduction not derived from normal retirement formula.

⁶ Less than 0.5.

⁷ Surveyed occupations are classified into wage categories based on the average wage for the occupation, which may include workers with earnings both above and below the threshold. The categories were formed using percentile estimates generated using data from the National Compensation Survey publication, "Employer Costs for Employee Compensation - March 2014."

Note: Because of rounding, sums of individual items may not equal totals. Dashes indicate that no data were reported or that data do not meet publication criteria. For definitions of major plans, key provisions, and related terms, see the "Glossary of Employee Benefit Terms" at www.bls.gov/ncs/ebs/glossary20142015.htm.