



Access to specific provisions of employer-provided benefits: new estimates

By Keenan Dworak-Fisher

Many employers offer some type of health or retirement package, but their provisions vary considerably from employer to employer. Knowing the details of the types of coverage available affords a better understanding of benefits in the workplace. For example, health plans may be prepaid (health maintenance organizations, or HMOs) or fee for service (such as preferred provider organizations, or PPOs), and may or may not offer dental coverage. Defined contribution plans may be structured around company matches on employer contributions or may consist of non-elective employer contributions alone. The Bureau of Labor Statistics refers to these details as *plan provisions*.

This **Beyond the Numbers** article describes the prevalence with which people working for private employers in the United States are given the opportunity to enroll in health and retirement plans with various provisions—the extent to which they have access to those provisions. But note: just because a worker has access to a given plan does not mean that he or she participates in the plan. Once given access, the worker often must affirmatively enroll in the plan in order to be counted as a participant (and to receive and enjoy the plan’s benefits laid out in its provisions). The rate at which workers enroll in plans to which they are given access is known as the *takeup rate*. Often, the takeup rate for a plan is less than 100 percent, perhaps because enrolling in the plan requires that the worker incur some cost or because the worker also has access to several alternative plans. As a result, the *participation rate*—the extent to which workers in the economy participate in plans—is often lower than the corresponding access rate. The analysis that follows explores this dynamic by presenting participation and takeup rates for plan provisions alongside the access rates.¹

Health plans: access and participation

During the third quarter of 2012 through the second quarter of 2013, 70 percent of private industry workers had access to a health care plan. Table 1 displays estimates of access, participation, and takeup rates for major health care categories. Almost all of these private industry workers had access to a medical care plan,² but the access rate for vision care plans was 24 percent. These variations in access rates were similar among participation rates, but takeup by type of plan varied within a tighter range (from 72 percent for vision care to 78 percent for outpatient prescription drug coverage). Although some benefits had lower rates of access, they were taken up at rates similar to those of benefits that were available to more workers.

Table 1. Access, participation, and takeup rates for health care benefit plans, private industry workers, third quarter 2012 through second quarter 2013

Type of plan	Access rate	Participation rate	Takeup rate
All health care plans	70	55	79
Medical	70	51	73
Dental care	45	35	77
Vision care	24	18	78
Outpatient prescription drug coverage	67	49	72

Note: Of all private industry workers in this analysis, aircraft manufacturing workers are excluded. Because of this exclusion and the different timeframe referenced, the percentages shown in the table may differ from other NCS published estimates. For definitions of major plans, key provisions, and related terms, see "National Compensation Survey: glossary of employee benefit terms, in Employee Benefits Survey (U.S. Bureau of Labor Statistics, April 24, 2015), www.bls.gov/ncs/ebs/glossary20142015.htm. Source: U.S. Bureau of Labor Statistics.

Table 2 takes a closer look at medical care plans, breaking them out by type. As a reference, the table’s top line repeats table 1’s second line, which gives the top-level medical care plan incidence numbers: 70 percent access and 51 percent participation, yielding a 73-percent takeup rate. Within the medical care category, workers had access to several different types of plans. For example, 61 percent had access to fee-for-service plans and 19 percent had access to HMO plans. Using the data from this table, one also can calculate the access rates of particular types of plans among workers to whom any medical plan was offered. For HMOs, this figure would be 19 percent ÷ 70 percent = 27 percent; that is, among workers having access to a medical plan, 27 percent had access to an HMO. A similar calculation using participation rates reveals that 18 percent of medical plan participants were

HMO participants. The factor underlying this contrast is that the HMO takeup rate of 49 percent was considerably less than the 68-percent takeup rate of fee-for-service plans.

Table 2. Incidence of different types of medical care plans, private industry workers, third quarter 2012 through second quarter 2013

Type of plan	Access rate	Participation rate	Takeup rate
All medical care plans	70	51	73
Fee for service	61	42	68
Traditional	3	1	42
Exclusive provider organization	6	3	47
Preferred provider organization	52	34	65
Point of service	6	3	53
Health maintenance organization	19	9	49
Traditional	16	8	46
Open access	4	2	46

Note: Of all private industry workers in this analysis, aircraft manufacturing workers are excluded. Because of this exclusion and the different timeframe referenced, the percentages shown in the table may differ from other NCS published estimates. For definitions of major plans, key provisions, and related terms, see "National Compensation Survey: glossary of employee benefit terms," in Employee Benefits Survey (U.S. Bureau of Labor Statistics, April 24, 2015), www.bls.gov/ncs/ebs/glossary20142015.htm. Source: U.S. Bureau of Labor Statistics.

A closer look at HMOs

In table 3, we try to glean some insight as to why HMO takeup was lower than fee-for-service takeup. The table lists the medical care plan access rate (70 percent) in the first column of the first row and reiterates the participation and takeup rates for fee-for-service, HMO, and all medical care plans from table 2 across the remainder of the first row. The rest of the rows and columns of table 3 display the respective incidences of fee-for-service plans being offered, but not HMO plans; HMO plans being offered, but not fee-for-service plans; and both fee-for-service and HMO plans being offered. The numbers show that fee-for-service plans usually are offered without an HMO alternative (51 percent of workers have this experience, whereas only 10 percent have access to both types of plans). In contrast, 9 percent of workers are offered HMO plans without also being offered a fee-for-service plan. This difference is a key driver of the lower takeup rate for HMO plans observed in table 2. Indeed, the takeup rates of fee-for-service and HMO plans are quite similar (72 percent and 71 percent, respectively) when attention is confined to workers who do not have access to both types of plans. When workers do have access to both, however, they are more likely to take up a fee-for-service plan (45 percent) than an HMO plan (31 percent). In these cases, the combined takeup rate for both types of plans (76 percent, last row of the table) is somewhat higher than it is for all medical care plans (73 percent, first row of the table).

Table 3. Joint incidence of fee-for-service and health maintenance organization plans among medical care plans, private industry workers, third quarter 2012 through second quarter 2013

Type of plan	Access rate	Fee-for-service plan		Health maintenance organization plan		Medical plan	
		Participation rate	Takeup rate	Participation rate	Takeup rate	Participation rate	Takeup rate
All medical care plans	70	42	68	9	49	51	73
Fee for service only	51	37	72	...	...	37	72

Table 3. Joint incidence of fee-for-service and health maintenance organization plans among medical care plans, private industry workers, third quarter 2012 through second quarter 2013

Type of plan	Access rate	Fee-for-service plan		Health maintenance organization plan		Medical plan	
		Participation rate	Takeup rate	Participation rate	Takeup rate	Participation rate	Takeup rate
Health maintenance organization only	9	...	...	6	71	6	71
Fee for service and health maintenance organization	10	5	45	3	31	8	76

Note: Of all private industry workers in this analysis, aircraft manufacturing workers are excluded. Because of this exclusion and the different timeframe referenced, the percentages shown in the table may differ from other NCS published estimates.
 Source: U.S. Bureau of Labor Statistics.

Table 4 shows access, participation, and takeup estimates for plans having coverage of selected services. There are no stark differences in the takeup rates, as one would expect if workers “shop” for particular kinds of coverage: most of the rates are between 71 percent and 73 percent.

Table 4. Incidence of medical care plan coverage of selected services, private industry workers, third quarter 2012 through second quarter 2013

Type of plan	Access rate	Participation rate	Takeup rate
All medical care plans	70	51	73
Hospital room and board	68	49	72
Inpatient surgery	64	46	72
Outpatient surgery	64	46	72
Physician office visit	69	50	73
Inpatient mental health care	59	42	71
Outpatient mental health care	57	40	71
Inpatient substance abuse detoxification	54	38	71
Outpatient substance abuse rehabilitation	54	38	71

Note: Of all private industry workers in this analysis, aircraft manufacturing workers are excluded. Because of this exclusion and the different timeframe referenced, the percentages shown in the table may differ from other NCS published estimates. For definitions of major plans, key provisions, and related terms, see "National Compensation Survey: glossary of employee benefit terms," in Employee Benefits Survey (U.S. Bureau of Labor Statistics, April 24, 2015), www.bls.gov/ncs/ebs/glossary20142015.htm.
 Source: U.S. Bureau of Labor Statistics.

Retirement benefits: takeup and access

Analogous tabulations can be performed for employer-provided retirement benefits. Table 5 breaks out defined contribution plans by type of plan,³ with access and participation estimates in the first two columns and the corresponding takeup rates in the third.⁴ The table illustrates that takeup rates for money purchase pension plans, deferred profit-sharing plans, and employee stock ownership plans, none of which usually require an employee to contribute in order to participate, range from 85 percent to 88 percent; the takeup rate for savings and thrift plans is considerably lower (64 percent). Note, however, that these differences are not due to a dynamic like that discussed earlier for medical plans, according to which, a choice of plans is associated with lower takeup rates: separate calculations show that the takeup rate was 70 percent among workers who had access to a savings and thrift plan

and at least one other defined contribution plan and 63 percent for workers who had access to a savings and thrift plan and no other defined contribution plan.

Table 5. Access, participation, and takeup rates of defined contribution plans, by type of plan, private industry workers, third quarter 2012 through second quarter 2013

Type of plan	Access rate	Participation rate	Takeup rate
All defined contribution plans	61	41	68
Savings and thrift	50	32	64
Money purchase pension	9	8	86
Deferred profit sharing	9	8	88
Employee stock ownership	2	2	85
Savings incentives match plan	2	1	62
Simplified employee pension	1	<1	62

Note: Of all private industry workers in this analysis, aircraft manufacturing workers are excluded. Because of this exclusion and the different timeframe referenced, the percentages shown in the table may differ from other NCS published estimates. For definitions of major plans, key provisions, and related terms, see "National Compensation Survey: glossary of employee benefit terms," in Employee Benefits Survey (U.S. Bureau of Labor Statistics, April 24, 2015), www.bls.gov/ncs/ebs/glossary20142015.htm.
Source: U.S. Bureau of Labor Statistics.

Table 6 focuses specifically on savings and thrift plans, and shows the prevalence of various detailed provisions among those plans. The first row of the table reiterates the overall savings and thrift plan incidence percentages from table 5: specifically, 50 percent of private industry workers have access to a savings and thrift plan, and 32 percent of private industry workers participate in them. Looking down the table, we see that 14 percent of private industry workers have access to a savings and thrift plan with an automatic enrollment provision and 10 percent of them participate in such a plan. The observed takeup rate for such plans (74 percent) is significantly higher than the takeup rate for the average savings and thrift plan (64 percent).

Table 6. Incidence of savings and thrift plans with selected provisions, private industry workers, third quarter 2012 through second quarter 2013

Type of plan	Access rate	Participation rate	Takeup rate
All savings and thrift plans	50	32	64
Savings and thrift plans with:			
Option of Roth (pretax contributions) plan	20	14	73
Choice of investments for employer contributions	39	25	65
Automatic enrollment	14	10	74
Annuity distribution option	10	7	69

Note: Of all private industry workers in this analysis, aircraft manufacturing workers are excluded. Because of this exclusion and the different timeframe referenced, the percentages shown in the table may differ from other NCS published estimates.
Source: U.S. Bureau of Labor Statistics.

Table 7 breaks out the various types of defined benefit plans observed among private industry workers in 2012–2013. The most popular type of defined benefit plan is the traditional one, with an access rate of 13 percent and a participation rate of 11 percent. The table lists a takeup rate of 89 percent for all defined benefit plans, reflecting the ratio of the participation rate to the access rate. Note, however, that most of those employees not participating in a defined benefit plan likely are constrained by eligibility requirements, rather than having chosen to forgo the benefit. This circumstance gives the term “takeup” an unorthodox flavor, but the term is retained here for

consistency with NCS terminology.⁵ Among traditional defined benefit plans, the most prevalent type of benefit formula bases itself on a percentage of a worker’s final earnings. The nontraditional types of plans—cash balance and pension equity plans—have access rates of 6 percent and 1 percent, respectively.

Table 7. Access, participation, and takeup rates of defined benefit plans, by type of plan and selected provisions, private industry workers, third quarter 2012 through second quarter 2013

Type of plan	Access rate	Participation rate	Takeup rate
All defined benefit plans	18	16	89
Traditional defined benefit plan	13	11	88
Percent-of-final-earnings formula	7	6	84
Percent-of-career-earnings formula	1	1	76
Dollars-times-years formula	4	3	96
Employer-contribution formula	1	1	94
Cash balance plan	6	5	77
Pension equity plan	1	<1	73

Note: Of all private industry workers in this analysis, aircraft manufacturing workers are excluded. Because of this exclusion and the different timeframe referenced, the percentages shown in the table may differ from other NCS published estimates.

Source: U.S. Bureau of Labor Statistics.

Table 8 investigates the extent to which the participation rate is affected by the presence of “frozen” plans in the NCS sample. Such plans have been closed to new employees but may still accumulate benefits for longer tenured workers who are already enrolled. The table stub divides workers into three categories: those with access to a frozen defined benefit plan but not an open plan; those with access to an open plan only; and those with access to both a frozen and an open plan. This last group, which makes up 1 percent of all private industry workers, includes workers in establishments that have instituted a tiered benefit offering by freezing out new employees from one defined benefit plan but providing them with another. Among workers with access to only a frozen plan, the takeup rate is 76 percent. But among workers with access to only an open plan, the takeup rate is 95 percent, and among workers with access to a frozen and an open plan, the take-up rate is 97 percent. Table 8 also explains why the takeup rate among all open plans (the top row of the table) is only 91 percent: this percentage is affected by a low takeup rate of 41 percent in open plans at jobs that also have access to frozen plans. Such plans are likely to be lower tier plans offered to new employees. In this case, only newer employees would take them up; older incumbents would not be attracted to them.

Table 8. Joint incidence of frozen and open defined benefit plans, private industry workers, third quarter 2012 through second quarter 2013

Type of plan	Access rate	Frozen plan		Open plan		All plans	
		Participation rate	Takeup rate	Participation rate	Takeup rate	Participation rate	Takeup rate
All defined benefit plans	18	5	74	11	91	16	1
Frozen plans only	6	5	76	...	...	5	76
Open plans only	11	...	...	10	95	10	95
Frozen and open plans	1	1	56	<1	41	1	97

Table 8. Joint incidence of frozen and open defined benefit plans, private industry workers, third quarter 2012 through second quarter 2013

Type of plan	Access rate	Frozen plan		Open plan		All plans	
		Participation rate	Takeup rate	Participation rate	Takeup rate	Participation rate	Takeup rate
Note: Of all private industry workers in this analysis, aircraft manufacturing workers are excluded. Because of this exclusion and the different timeframe referenced, the percentages shown in the table may differ from other NCS published estimates. Source: U.S. Bureau of Labor Statistics.							

The analysis and tables presented in this article provide some added context for users of BLS benefits publications found at the [Employee Benefits Survey website](#). Readers are encouraged to explore that site if they desire fuller details on the employer-provided benefits offered to workers in the United States.

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[Selected characteristics of savings and thrift plans for private industry workers.](#)

[Retirement costs for defined benefit plans higher than for defined contribution plans.](#)

[Employee benefits in the United States—March 2014.](#)

[National Compensation Survey: Health and retirement plan provisions in private industry in the United States, 2014.](#)

NOTES

¹ The *access rate* is the proportion of all workers to whom a plan is available. The *participation rate* is the proportion of all workers who participate in a plan. The *takeup rate* is the ratio of the number of workers who participate in a plan to the number of workers to whom a plan is available.

² The NCS defines medical care plans as those health plans which provide “for the payment of benefits as a result of sickness or injury.” See “BLS information: Glossary” (U.S. Bureau of Labor Statistics, February 28, 2008), <https://www.bls.gov/bls/glossary.htm>.

³ The six types of defined contribution plan listed in the table reflect the ways those plans are set up to operate. A savings and thrift plan is a plan in which the worker makes voluntary contributions and the employer offers to match those contributions by a certain percentage. A money purchase pension plan is a plan according to which the employer makes fixed contributions to the defined contribution account. In a deferred profit-sharing plan, the employer's contribution is linked to profits earned by the employer. In an employee stock ownership plan (ESOP), the employer's fixed contribution goes into company stock. Savings incentive match plans (SIMPLEs) and simplified employee pension (SEP) plans are special vehicles designed to help small employers set up individual accounts for their employees. For more information about these 6 types of defined contribution plans, see "Six ways to save for retirement," *Program perspectives*, National Compensation Survey Benefit Series: Defined-contribution retirement plan types, vol.3, issue 3 (U.S. Bureau of Labor Statistics, March 2011), https://www.bls.gov/opub/perspectives/program_perspectives_vol3_issue3.pdf.

⁴ Note that, as with similar statistics for plan provisions found in other tables in this article, the participation rates shown in table 5 differ from those shown in NCS detailed-provisions bulletins in that they are expressed as a percentage of the whole sample rather than as a percentage of participants in at least one defined contribution plan.

⁵ In the NCS, a worker is defined as having "access" to a plan if the plan is offered by the employer for the job in which the worker is employed, regardless of eligibility. The takeup rate is then the ratio of the participation rate to this "access" rate. These definitions cause some challenges for the NCS, as discussed in [Keenan Dworak-Fisher and William J. Wiatrowski, "Tackling complexity in retirement benefits: challenges and directions for the NCS," *Monthly Labor Review*, July 2011, pp. 17–28.](#)

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