

# Employee income protection against short-term disabilities

*Most workers in medium and large firms are protected, but the degree and duration of protection vary; usually white-collar workers get sick leave benefits, while blue-collar workers are covered by sickness and accident insurance*

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The vast majority of workers in medium and large firms are protected against loss of income during temporary absences from work due to nonoccupational sickness or accident. However, degree of protection and duration of coverage vary widely. Short-term disability protection was provided to 94 percent of these employees in 1983 in the form of paid sick leave plans, or sickness and accident insurance benefits, or both.

Data on short-term disability protection are from the 1983 Bureau of Labor Statistics survey of the incidence and characteristics of employee benefits.<sup>1</sup> The survey provides information on the amount of income protection available to employees, but not on the actual usage of this benefit. Data were tabulated for all full-time employees and for three employee groups: professional-administrative, technical-clerical, and production employees. In this article, the first two groups are frequently combined and labeled white-collar workers, in contrast with production or blue-collar workers. Short-term disability protection provided white-collar workers differs considerably from that provided blue-collar workers. Just over 90 percent of the white-collar employees were covered by sick leave plans in 1983, more than double the percentage of blue-collar employees. Conversely, two-thirds of blue-collar employees had sickness and accident insur-

ance plans, compared with only one-third of the white-collar workers. (See table 1.)

This difference partly reflects contrasting wage payment practices for white- and blue-collar employees. The former typically are salaried, and their regular weekly or monthly pay can be continued during periods of disability. Pay continuation is more difficult to administer for blue-collar workers, who usually receive a rate per hour worked rather than a fixed salary; in such instances, sickness and accident insurance provides an alternative vehicle for income protection.

## **Paid sick leave plans**

Sick leave, available to two-thirds of all employees covered by the survey, virtually always continues full pay for at least part of the duration of disability. Sick leave is always financed entirely by the employer out of operating funds, rather than through insurance carriers. Full-pay benefits may be accompanied by benefits at less than full pay for some additional period, and duration of benefits may vary by length of service or remain constant over the worklife of an employee. Benefits are seldom subject to a waiting period, but may require medical proof of illness. Although sick leave provisions are generally spelled out in formal plans—giving employees reasonable assurance of receiving benefits under the stipulated conditions—some plans are informal, with benefits at the discretion of a supervisor. Only formal plans were included in the survey.

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**Table 1. Participation in short-term disability plans, full-time employees in medium and large firms, 1983**

[In percent]

Type of plan	All employees	Professional and administrative	Technical and clerical	Production
Total .....	100	100	100	100
Sickness and accident insurance only .....	27	4	5	49
Noncontributory <sup>1</sup> .....	23	3	5	43
Paid sick leave only .....	45	66	63	25
Combined sickness and accident insurance/paid sick leave .....	23	26	29	18
Noncontributory <sup>1</sup> sickness and accident insurance .....	17	19	22	14
No sickness and accident insurance or paid sick leave .....	6	4	3	9

<sup>1</sup>Provided at no cost to employee.

NOTE: Because of rounding, sums of individual items may not equal totals.

Sick leave plans provide benefits for a maximum number of days per year (annual plans), for a maximum number of days per illness (per-disability plans), or "as needed." A small number of establishments provide employees with both annual and per-disability sick leave benefits, each intended for specific purposes. The following tabulation distributes participants in sick leave plans in 1983 by these approaches to granting sick leave:

	Percent of participants
All sick leave plans .....	100
Annual plans .....	72
Per-disability plans .....	20
Annual and per-disability plans .....	6
"As needed" plans .....	2

**Annual plans.** For nearly three-fifths of the workers under annual plans, the number of sick leave days available per year was uniform, regardless of seniority. For the remaining workers, benefits varied with seniority. Duration generally increased rapidly in the early years of service, with increases slowing after 5 or 10 years. (Maximum benefits were generally reached by 15 years of service.) Average available sick leave benefits reflect this gradation. The average number of days at full pay for all employees under annual plans rose rapidly from 17 days at 1 year of service to 40 days at 15 years of service; then they increased more slowly to 46 days at 30 years of service. (See table 2.)

At all seniority levels, the average duration of benefits available per year to professional and administrative employees was more than double those available to production workers. (See table 2.) The average duration of benefits for technical and clerical employees equaled that for production workers at 6 months of service, but rose more rapidly thereafter. For all three groups, however, the rates of change were substantial. The increase in duration of average benefit between 1 and 15 years of service was 111 percent for professional and administrative employees, 117 percent for

production employees, and 171 percent for technical and clerical employees. Over the next 15 years, increases averaged about 1 percent a year for each occupational group.

**Per-disability plans.** Plans which provide a specified number of sick leave days per illness are most beneficial to employees with a recurring illness because the full amount of the benefit is available for each new spell of illness. In such cases, a new benefit period will begin after an employee has not used sick leave for a specified period, such as 60 days. Per-disability plans typically tie benefits to length of service.

The average number of sick leave days allowed under per-disability plans was greater than under annual plans and tended to increase sharply with length of service up to 25 years. (See table 2.) The average limit on paid sick leave days under such plans rose from 46 days at 1 year of service to 111 days at 15 years. Unlike annual plans, significant increases continued after 15 years, reaching more than 150 days after 25 years of service.

Variations among occupational groups in allowable days of per-disability sick leave were not as pronounced as in annual plans. At short-term service, the sick leave duration was greater for white-collar employees, but after 20 years of service, blue-collar workers could receive benefits for longer periods. (This result, and much of the data on per-disability plans, was influenced largely by one nationwide plan that covered 45 percent of all production employees in

**Table 2. Average number of sick leave days allowable at full pay in medium and large firms, by type of plan, 1983**

Type of plan and length of service	All participants	Professional and administrative	Technical and clerical	Production
Annual sick leave <sup>1</sup> by length of service:				
6 months .....	14	22	10	10
1 year .....	17	27	14	12
3 years .....	21	32	19	14
5 years .....	27	39	24	18
10 years .....	34	49	32	22
15 years .....	40	57	38	26
20 years .....	43	61	41	28
25 years .....	45	64	42	30
30 years <sup>2</sup> .....	46	65	43	30
Per-disability sick leave <sup>3</sup> by length of service:				
6 months .....	41	49	33	37
1 year .....	46	54	36	44
3 years .....	52	63	44	44
5 years .....	73	80	66	71
10 years .....	88	98	84	76
15 years .....	111	114	107	111
20 years .....	132	129	127	145
25 years .....	152	142	147	178
30 years <sup>2</sup> .....	152	143	147	178

<sup>1</sup>Employees earn a specified number of days per year. This number may vary by length of service.

<sup>2</sup>The average increased slightly for longer periods of service.

<sup>3</sup>Employees earn a specified number of sick leave days for each illness or disability. This number may vary by length of service.

NOTE: Computation of average excluded days paid at partial pay and workers with only partial paydays or zero days of sick leave.

per-disability plans.) The increase in average duration of per-disability sick leave days between 1 and 25 years of service ranged from 163 percent for professional and administrative employees to 300 percent or more for technical and clerical and production employees.

**Other sick leave arrangements.** Six percent of the participants in sick leave plans were under combined annual and per-disability plans. In such arrangements, the annual plan covered incidental illnesses, while the per-disability plan was available for longer absences. For example, a single unexpected sick day would be covered by the annual plan, while an anticipated absence, such as a hospital stay, would be covered by the per-disability plan. Annual plans also covered the waiting periods which occasionally occurred in per-disability plans. Also included in the estimates for combined plans are the less than .5 percent of participants in plans that provided sick leave on an annual basis to employees with short-term service and on a per-disability basis to longer-term employees.

Two percent of the participants in sick leave plans were eligible for benefits "as needed." Such plans were mostly available to professional and administrative employees. As with all sick leave arrangements included in this survey, "as needed" sick leave was under an established formal plan, rather than a discretionary action by a supervisor.

**Other sick leave features**

About one-fourth of the participants in the sick leave plans analyzed in 1983 were provided benefits at partial pay after exhaustion of available full-pay days. These partial pay provisions were more common for workers in per-disability plans (58 percent of participants) than for workers in annual plans (18 percent). For example, a plan might provide benefits for up to 130 work days (6 months) per disability, with the number of days at full pay and at half pay varying with years of service. At 1 year of service, the employee would receive 10 days at full pay and 120 days at half pay. Each year thereafter, the plan would increase full pay benefits by 10 days while decreasing half pay benefits by 10 days. After 13 years of service, the employee would received all 6 months of sick leave at full pay. (Two percent of sick leave plan participants were covered by partial pay provisions only.)

More than two-thirds of all sick leave plan participants were required to complete a service requirement before becoming eligible to receive benefits. Of this group, half had short eligibility periods, generally 3 months. The remaining half had to wait either 6 months or 1 year. Production employees generally had longer eligibility periods than white-collar workers.

After attaining eligibility, participants may be required to wait a short period (usually 1 to 3 days) before receiving benefits for any absence. At 1 year of service, 16 percent of the participants had a waiting period, which often de-

creased—or was eliminated—as years of service increased. Waiting periods were more common among per-disability plans and occasionally varied by the nature of a disability. A limited number of plans waived the waiting period when an employee was hospitalized.

**Unused sick leave policy.** Forty-three percent of all participants in annual sick leave plans could carryover some or all of their benefits to succeeding years, or could cash in unused benefits at the end of the year. The distribution of participants in these plans by unused sick leave policy was as follows:

	<i>Percent of participants</i>
All annual sick leave plans .....	100
Carryover .....	31
Cash-in .....	8
Carryover and cash-in .....	4
Unused benefits lost .....	57

Carryover provisions greatly affect the number of sick leave days made available to employees. Annual plans that allow the carryover of unused sick leave from one year to the next ("cumulative" plans) generally make fewer days available each year than noncumulative plans; in effect, employees must rely on accumulated sick leave to provide protection for a disability of several weeks. For example, at 1 year of service, cumulative plans averaged a maximum benefit of 9 days a year, while noncumulative plans averaged 22 days. The cumulative plans' average rose to 15 days at 25 years of service, while the noncumulative plans' average nearly tripled to 62 days. (See table 3.) Per-disability sick leave

**Table 3. Average number of annual sick leave days allowable at full pay in medium and large firms, by accumulation policy, 1983**

Length of service and accumulation policy <sup>1</sup>	All participants	Professional and administrative	Technical and clerical	Production
1 year of service:				
Cumulative plan .....	9	12	9	7
Noncumulative plan .....	22	33	17	14
5 years of service:				
Cumulative plan .....	12	15	12	9
Noncumulative plan .....	35	50	32	24
10 years of service:				
Cumulative plan .....	14	18	14	10
Noncumulative plan .....	46	63	43	30
20 years of service:				
Cumulative plan .....	15	20	15	11
Noncumulative plan .....	59	78	57	39
25 years of service:				
Cumulative plan .....	15	20	15	12
Noncumulative plan .....	62	83	59	42

<sup>1</sup>Data are for paid sick leave plans with a specified number of days available each year. Per-disability plans were excluded from this table because only annual sick leave plans allow the employee to carryover and accumulate unused sick leave from one year to the next. Instead, the number of days of paid sick leave under a per-disability plan is renewed for each illness or disability after the employee returns to work for a specified period.

NOTE: Computation of average excluded days paid at partial pay and workers with only partial paydays or zero days of sick leave.

plans, which renew benefits for each spell of illness, and "as needed" sick leave arrangements do not provide for carryover or cash-in of benefits.

### Uniform and graduated sick leave

Sick leave plans may provide either uniform benefits for all employees or benefits that increase with seniority.<sup>2</sup> These two approaches were about equally popular in 1983—49 percent of participants in annual or per-disability plans were under arrangements providing uniform benefits, and 51 percent had graduated provisions. However, uniform benefits occurred more often in annual plans, while graduated benefits were more common in per-disability plans. Fifty-six percent of the participants under annual plans had uniform benefits; 44 percent had graduated benefits. In contrast, only 27 percent of the per-disability plan participants had uniform benefits, while 73 percent had graduated benefits.

The following tabulation shows separately the average number of days allowable at full pay in plans with uniform and graduated provisions:<sup>3</sup>

<i>Length of service</i>	<i>All plans</i>	<i>Uniform provisions</i>	<i>Graduated provisions</i>
6 months .....	23	31	14
1 year .....	27	33	20
5 years .....	42	33	51
10 years .....	51	33	67
20 years .....	65	33	96
30 years .....	70	33	106

Plans providing uniform benefits averaged 33 days of allowable sick leave per year or per disability at 1 or more years of service. Plans with graduated benefits averaged 20 days at 1 year of service and 106 days at 30 years' service.

### Sickness and accident insurance

Sickness and accident insurance, which is provided through an insurance company or a trust fund, replaces only part of earnings, and requires a waiting period before benefits begin. Maximum duration of benefits is specified for each successive disability, thereby resembling provisions of per-disability sick leave plans.

Nearly half of the employees covered by the 1983 survey had sickness and accident insurance; two-thirds of the blue-collar employees participated, which was double the white-collar rate. Benefits were almost equally split between plans that paid a specified percent of the employee's earnings (generally 50 to 70 percent), and plans that provided a flat dollar amount per week, either fixed or varying by salary. Typically, white-collar workers were under plans paying a percent of earnings, while production workers were covered by scheduled dollar benefits. Plans commonly limited the amount of the weekly benefit, often by providing a dollar cap on the yield from a percent-of-earnings benefit formula. Slightly more than half the participants could receive benefit payments for a maximum of 26 weeks. (See table 4.)

Payments under sickness and accident insurance com-

**Table 4. Participation in sickness and accident insurance in medium and large firms, by type and duration of payment, 1983**

(Percent of participants)

Type of payment	Total <sup>1</sup>	Maximum weeks of coverage			
		13	26	52	Varies by service
All types .....	100	13	55	13	13
Fixed percent of earnings .....	47	5	32	1	4
Less than 50 .....	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	—	—
50-54 .....	18	1	14	( <sup>2</sup> )	1
55-59 .....	1	( <sup>2</sup> )	1	—	( <sup>2</sup> )
60-64 .....	12	1	8	( <sup>2</sup> )	1
65-69 .....	10	2	7	( <sup>2</sup> )	1
70 or more .....	4	1	2	( <sup>2</sup> )	1
Percent of earnings varies .....	4	( <sup>2</sup> )	1	2	1
By service .....	2	( <sup>2</sup> )	1	1	—
By length of disability .....	1	( <sup>2</sup> )	( <sup>2</sup> )	1	( <sup>2</sup> )
By both service and length of disability .....	1	—	( <sup>2</sup> )	—	1
Fixed weekly dollar benefit .....	27	7	16	1	1
Less than \$60 .....	6	3	3	—	( <sup>2</sup> )
\$60-\$79 .....	2	1	1	—	—
\$80-\$99 .....	3	1	1	( <sup>2</sup> )	—
\$100-\$119 .....	5	1	3	( <sup>2</sup> )	( <sup>2</sup> )
\$120-\$139 .....	4	( <sup>2</sup> )	3	1	( <sup>2</sup> )
\$140 or more .....	7	( <sup>2</sup> )	4	1	1
Weekly dollar benefit varies .....	22	1	6	9	7
By earnings .....	21	( <sup>2</sup> )	5	8	7
By service or length of disability .....	1	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )

<sup>1</sup>Includes maximum weeks of coverage not shown separately.

<sup>2</sup>Less than 0.5 percent.

NOTE: Because of rounding, sums of individual items may not equal totals. Dash indicates no employees in this category.

monly are based on an employee's current hourly rate, multiplied by regularly scheduled weekly hours. Alternative bases include the highest or average weekly rate over a specified period.

As noted earlier, sickness and accident insurance benefits for an illness do not begin until completion of a waiting period. Insurance plans are not designed for illnesses lasting a few days, but are for disabilities of longer duration. Medical proof of disability is often required before payments begin. A typical plan would provide benefits beginning the eighth calendar day for illnesses and on the first day for accidents and for conditions requiring hospitalization. Retroactive payments may cover the waiting period once an employee is off the job a specified number of days, but such provisions are rare.

Three-fourths of the participants in sickness and accident insurance plans were required to complete a minimum service period (usually 3 months or less) before they were covered by the plan. In most cases, the employer paid the full cost of the insurance; 17 percent of the participants contributed toward the cost of their plan. Most employee contributions were a fixed amount, usually \$1 to \$2 a month.<sup>4</sup>

### Coordinating sick leave with insurance plans

Twenty-three percent of the employees covered by the survey participated in both sick leave and sickness and accident insurance plans. Such combined benefits were avail-

able to 27 percent of white-collar employees and 18 percent of blue-collar employees. Provisions of each combination plan specified how the amount and duration of payments from each type of benefit worked in tandem.

One approach used to link sick leave and sickness and accident benefits is the "offset" method; that is, benefits received simultaneously are coordinated so that the total benefit does not exceed full salary. In a typical case, sick leave benefits begin immediately and provide full pay; insurance benefits begin after a waiting period and overlap the sick leave benefits schedule. Consequently, sick leave benefits are reduced by the amount of the insurance payment during the period when both benefits are paid. In other words, the insurance payment and the reduced sick leave payment together equal the original sick leave payment, which generally is full pay. Benefits from each source continue for their specified durations.

Another approach is the "combined" method, whereby insurance benefits do not begin until sick leave benefits have ended. In this case, insurance begins after its waiting period or immediately after sick leave benefits run out, whichever is later. The duration of benefits (the sum of each plan's schedule of payments) extends beyond the limits of either insurance or sick leave alone.

Establishments offering sickness and accident insurance allow fewer sick leave days, on average, than those without such insurance. At 1 year of service, for example, annual sick leave plans linked with sickness and accident insurance in 1983 averaged 12 days per year, while those in establishments without such insurance averaged 21 days. Similar differences occurred at all service intervals, culminating at 25 years of service in an average of 26 sick leave days when insurance was also provided and 57 days when insurance was not provided. (See table 5.)

### Variations by industry and region

The sample for the Employee Benefits Survey is not designed to permit analysis of data by industry or geographic location. Nonetheless, information from the Bureau of Labor Statistics Area Wage Surveys does permit such comparisons on the incidence of short-term disability benefits.<sup>5</sup> These wage surveys provide data on the incidence of benefits (but not detailed provisions) for plant and nonsupervisory office workers in six broad industrial divisions: manufacturing; transportation, communications and other public utilities; wholesale trade; retail trade; finance, insurance, and real estate; and selected services. Data are also available for four regions—Northeast, South, North Central, and West. (See table 6.)

Nearly half of the firms within the scope of the Area Wage Surveys have fewer than 100 employees.<sup>6</sup> Partly because small firms are less likely to provide sick leave or sickness and accident insurance, the overall incidence of short-term disability coverage is somewhat lower in the Area

Wage Survey results for all metropolitan areas than in the Bureau's national survey of employee benefits in medium and large firms. Differing approaches to State temporary disability insurance benefits also contribute to this result. New York and New Jersey employees are reported in the Area Wage Survey program as having sickness and accident insurance benefits only if their temporary disability insurance contributions exceed State requirements, or if employee benefits exceed requirements of the law. Conversely, the Employee Benefits Survey counts as sickness and accident insurance participants all workers whose employers make any temporary disability insurance contributions. However, these differences are found mainly among blue-collar workers, with 82 percent having coverage in the Area Wage Survey establishments, compared with 91 percent in the study of medium and large firms. The corresponding figures for white-collar workers are 94 percent and 97 percent.

Among plant workers, the overall incidence of short-term disability plans was highest in public utilities (93 percent of the workers) and lowest in services (53 percent). Sickness and accident insurance was most prominent in manufacturing and least likely to be found in services. By region, short-term disability protection financed by employers was more prevalent in the Northeast (84 percent of the workers covered) and North Central States (91 percent covered) than in the West (74 percent) and South (78 percent). Reflecting the effect of California's Disability Insurance Program, the West had the lowest incidence of employer financed, short-term disability coverage, but the highest incidence of separate sick leave plans.<sup>7</sup>

**Table 5. Average number of annual sick leave days allowable at full pay in medium and large firms, by availability of sickness and accident insurance, 1983**

Length of service and availability of insurance <sup>1</sup>	All participants	Professional and administrative	Technical and clerical	Production
1 year of service:				
With insurance . . . . .	12	19	12	7
Without insurance . . . . .	21	31	15	16
5 years of service:				
With insurance . . . . .	16	27	17	8
Without insurance . . . . .	33	46	27	27
10 years of service:				
With insurance . . . . .	20	33	23	10
Without insurance . . . . .	43	57	37	34
20 years of service:				
With insurance . . . . .	25	40	29	12
Without insurance . . . . .	54	71	47	43
25 years of service:				
With insurance . . . . .	26	42	30	13
Without insurance . . . . .	57	75	49	45

<sup>1</sup>Per-disability plans are excluded because only 3 percent of the employees covered by the survey were under both per-disability sick leave plans and sickness and accident insurance. Twenty percent of the employees had annual sick leave and sickness and accident insurance.

NOTE: Computation of average excludes days paid at partial pay, and zero days of annual sick leave.

**Table 6. Percent of full-time employees in establishments reporting short-term disability plans, by industry division and region, all metropolitan areas, 1980-82**

Type of worker and plan	Industry division							Region			
	All industries	Manufacturing	Public utilities	Wholesale trade	Retail trade	Finance, insurance, and real estate	Selected services	North-east	South	North Central	West
Plant workers:											
Sick leave only . . . . .	23	16	37	36	31	43	28	21	26	11	44
Sickness and accident insurance only . . . . .	36	52	17	21	21	8	11	33	32	61	10
Sick leave and sickness and accident insurance . . . . .	23	20	39	31	21	32	14	30	20	19	20
Total . . . . .	82	88	93	88	73	83	53	84	78	91	74
Office workers:											
Sick leave only . . . . .	47	33	46	49	44	60	53	41	52	39	65
Sickness and accident insurance only . . . . .	9	15	6	9	16	5	6	11	8	14	4
Sick leave and sickness and accident insurance . . . . .	38	46	44	33	29	32	32	42	33	43	26
Total . . . . .	94	94	96	91	89	97	91	94	93	96	95

NOTE: Unpublished data from the Area Wage Survey program, collected over a 3-year period in 70 selected metropolitan areas, and weighted to represent all metropolitan areas of the United States as of February 1974. In this program, if a majority of workers in an establishment were covered by a plan, all workers were considered covered. If less than a majority had the plan, none was considered to have the plan.

Industrial and regional differences were not as pronounced for office workers. Sick leave, either alone or coordinated with sickness and accident insurance, was the predominant benefit for these employees; fewer than 10 percent of the office workers had sickness and accident insurance only.

#### Additional disability benefits

Occupational disabilities are almost universally covered by workers' compensation laws. In the three States (New Jersey, South Carolina, and Texas) without compulsory workers' compensation laws, rejection of coverage is sufficiently difficult to guarantee almost complete coverage. Employers may also provide additional coverage to supplement workers' compensation. Benefits from these supplementary plans were not included in the short-term disability analysis.

Permanent disabilities may be covered by an employer's long-term disability insurance plan or disability benefits from a private pension plan. In addition, social security benefits

are available to individuals having a specified amount of "covered employment" and meeting the prescribed definition of disability. Social security benefits begin after 5 months of disability. Long-term disability benefits are beyond the scope of this discussion.<sup>8</sup>

During the period of nonoccupational short-term disability, seniority rights continue which may affect such future events as promotions, layoffs, and retirement benefits. Similarly, employer-sponsored health and welfare insurance benefits generally continue during periods of temporary disability; and waiver-of-premium provisions are common in group life insurance policies, exempting both the employer and the disabled employee from paying premiums. Provision for continuation of these benefits often is not included in the short-term disability benefit plan, and is specified only in seniority, health insurance, and pension plan descriptions. Consequently, it was not feasible to review these provisions, because the analysis was limited to short-term disability benefit plan documents. □

#### —FOOTNOTES—

<sup>1</sup>The Employee Benefits Survey is conducted annually in private sector establishments in the contiguous United States employing at least 50, 100, or 250 workers, depending on the industry. Industrial coverage includes: mining; construction; manufacturing; transportation, communications, and electric, gas, and sanitary services; wholesale trade; retail trade; finance, insurance, and real estate; and selected services. Findings of the 1983 survey are reported in *Employee Benefits in Medium and Large Firms, 1983*, Bulletin 2213 (Bureau of Labor Statistics, 1984). In addition to short-term disability plans, the survey explores the incidence and detailed characteristics of health, life, and long-term disability insurance; private retirement pensions; and a variety of paid time-off items. It also reports on the extent of eligibility for numerous other benefits. For information on the background and conduct of the survey, see Robert Frumkin and William Wiatrowski, "Bureau of Labor Statistics takes a new look at employee benefits," *Monthly Labor Review*, August 1982, pp. 41-45.

<sup>2</sup>The Federal employees sick leave system, providing 13 days a year regardless of length of service, is an example of uniform benefits.

<sup>3</sup>Average number of sick leave days includes annual and per-disability sick leave plans. Figures are full days only, disregarding any waiting period or carryover from previous years. Per-disability sick leave days are those available for the first illness of a year; "as needed" sick leave plans were excluded from tabulation.

<sup>4</sup>Five States (California, Hawaii, New Jersey, New York, and Rhode Island) have temporary disability insurance laws providing for benefits similar to those under private sickness and accident insurance. Because employees pay the full premium for State disability insurance in Rhode Island and California (except where employers substitute private coverage), the plans of these two States are excluded from BLS surveys. State disability plans in New Jersey and New York are included in the sickness and accident

insurance portion of the Employee Benefits Survey because employers pay at least part of the cost. Employees generally pay a fixed percent of earnings for coverage and the employer pays the remainder of the premium, but some employers in New York pay the entire cost. (Hawaii also requires employers to pay part of the cost of the program, but is outside the scope of the Employee Benefits Survey.)

<sup>5</sup>Area Wage Surveys are conducted in a sample of 70 metropolitan areas designed to represent all metropolitan areas of the United States. In each area, wage data are collected annually and the incidence of selected employee benefits is reported every third year. The Area Wage Survey benefit data provided here were gathered during the 1980–82 period and were weighted to represent all metropolitan areas, combined.

<sup>6</sup>The Area Wage Surveys are conducted in establishments with a min-

imum of 50 or 100 employees, depending on the industry and area.

<sup>7</sup>Under the California Disability Insurance Program, employees contribute to a State fund which provides cash benefits to nearly all employees who may be temporarily disabled by nonwork-connected injury or illness, eliminating the need for employer paid sickness and accident insurance. Many employers, however, provide sick leave coverage to coordinate with the State plan.

<sup>8</sup>Social security disability benefits are offset by any workers' compensation received. Employer-provided benefits generally are reduced by other disability payments, including social security, to avoid duplication. For a further discussion of permanent disability benefits, see Donald Bell and William Wiatrowski, "Disability benefits for employees in private pension plans," *Monthly Labor Review*, August 1982, pp. 36–40.

### Unions in transition

The 1930's ushered in the modern union era and the rebirth of collective bargaining. In the early war and postwar years of the 1940's, the unions were able to consolidate their gains of the 1930's and demonstrate that they were here to stay. By the 1950's, the law and a resurgent management were able to slow the growth of union membership. The inability of membership to keep pace with the expanding white-collar sector continued to be the critical element in the slowdown. In the 1960's, unions penetrated the public sector, including large numbers of white-collar employees. As in Western Europe, the inflation years of the 1970's made union power one of the targets of wage and incomes policy in the United States. The 1980's seem to be shaping up as the decade of union retrenchment and retreat. The question: Will the 1980s be just another cyclical downturn, or will they mark a long-term change in union strategy from offense to defense?

—JACK BARBASH

"Trade Unionism from Roosevelt to Reagan,"  
*The Annals of the American Academy of Political and Social Science*,  
 May 1984, p. 12.