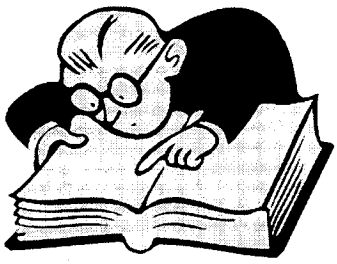

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Part 2 of 7

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About the U.S. Chamber

The U.S. Chamber of Commerce is the world's largest business federation. Our federation includes the following:

- 3 million businesses
- 2,800 state and local chambers of commerce
- 830 business associations
- 99 American Chambers of Commerce in 86 countries

Members include businesses of all sizes, sectors, and regions. Most of the nation's largest companies are active Chamber members; more than 96 percent of our members are small businesses with 100 employees or fewer.

The Chamber's core mission is to fight for business and free enterprise before Congress, the White House, regulatory agencies, the courts, the court of public opinion, and governments around the world.

From our headquarters located directly across Lafayette Park from the White House, the Chamber maintains a professional staff of more than 300 of the nation's top policy experts, lobbyists, lawyers, and communicators. Their efforts are supported by eight regional offices around the country; offices in New York, Brussels, and an on-the-ground presence in China; and a network of grassroots business activists.

Distinctive Chamber capabilities and affiliates include the following:

- **The National Chamber Litigation Center**—our law firm that defends business interests and sues government agencies.

- **The Institute for Legal Reform**—the Chamber affiliate that challenges lawsuit abuse on many fronts, fights for legal reform legislation, and educates voters in state judicial and attorney general races.

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- **The National Chamber Foundation**—our public policy think tank that drives the debate, develops the data and arguments, and influences policy options on the most critical business issues.

- **The Political Program**—the Chamber's aggressive political action component that endorses, supports, raises money, and turns out the vote for pro-business congressional candidates from both parties who are engaged in key races.

- **The International Division**—our trade and foreign affairs experts who work to lower barriers and expand our members' commercial interests across the globe.

- **The Center for International Private Enterprise**—a Chamber-led project of the National Endowment for Democracy that helps emerging nations develop the free market practices and institutions they need to succeed in the global economy.

- **TradeRoots**—a sustained grassroots trade education program supporting free trade legislation and helping chambers, communities, and governors assist small and medium-size companies to expand into the global marketplace.

- **The Center for Workforce Preparation**—the Chamber affiliate that focuses on workforce development and education issues.

- **The Center for Corporate Citizenship**—an organization devoted to facilitating corporate civic and humanitarian initiatives.

- **The Space Enterprise Council**—a coalition of companies that works to ensure U.S. leadership in space through legislative advocacy and regulatory action.

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EXHIBIT 3

The State of American Business

2006

Thomas J. Donohue

President & CEO
United States Chamber of Commerce

USCC 55856

PECK EXHIBIT 3
Offered by Opposer, The Chamber of Commerce of the United States of America

The Chamber of Commerce of the United States of America v. United States Hispanic Chamber of Commerce Foundation
Opposition Number 91/156,321

The State of American Business 2006

Foreword

The current state of American business is very good.

The U.S. economy is strong and growing, demonstrating once again its remarkable resilience in the face of difficult challenges. Even with hurricanes, higher energy prices, and intense partisan rancor in Washington, 2005 was a year of substantial accomplishments for the business community and economic progress for the American people.

> 2005 was a year of substantial accomplishments for the business community and economic progress for the American people.

With some exceptions, our companies and our industries are profitable, capital is plentiful, and business investment is expanding.

Workers and families are sharing in this prosperity. Nearly 2 million new jobs have been created in the past 12 months and 4 million since the end of 2003. Unemployment is low, and inflation is under control. Real incomes are rising. Homeownership and household wealth are at an all-time high.

On the policy front, legislation that the U.S. Chamber and its allies have been working on for years has been enacted, including class action reform, a first-stage energy plan, a multiyear transportation bill, bankruptcy reform, and a Central American free trade agreement. Dozens of measures to restrict companies that outsource, or pile costs on the backs of small businesses, were defeated. In 2005, the Chamber's law firm entered and helped win more cases than in any year in its history.

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Chamber initiatives to stop regulatory overreach and abuses of due process rights in the aftermath of Sarbanes-Oxley, and to confront intellectual property theft, counterfeiting, and piracy with a comprehensive global program, made major strides in 2005.

Organizationally, the Chamber has increased its influence and profile at home and abroad. Revenues and membership are growing at a significant pace. The Chamber and its Institute for Legal Reform together rank among the largest lobbying spenders in Washington. Internationally, a record 104 American Chambers abroad and the Center for International Private Enterprise are working on behalf of free enterprise, market reforms, and democratic institutions.

> The Chamber and its Institute for Legal Reform together rank among the largest lobbying spenders in Washington.

Business can also take heart that the true character of our community was shown in the outpouring of support and generosity for the victims of the year's terrible natural disasters. Only the most extreme and unfair critics of American business could not be moved by the compassionate response of our companies and their employees.

Our challenge is to maintain and build upon the prosperity and progress achieved in 2005. We are optimistic about the prospects for the U.S. economy and the business agenda in the coming year. Yet, in many respects, 2006 will be a more difficult year.

Companies face an accumulating burden of rising health care, pension, and energy costs. Restrictive immigration and visa policies, along with inadequate education and training, have tightened the supply of qualified workers. Rising anti-trade sentiments threaten the openness of our markets. Growing government deficits make business an appealing target for additional taxes and mandates. A brass-knuckles

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political battle for control of the U.S. Congress this November is already under way.

And on the near horizon are two fundamental realities growing in scope and urgency that have already begun to reshape our economy and our society—the rise of new economic competitors abroad and changing demographics at home.

We may have a strong economy today, but our prosperity and economic leadership will not last unless we respond boldly to a series of competitive challenges created by these realities.

> On the near horizon are two fundamental realities growing in scope and in urgency—the rise of new economic competitors abroad and changing demographics at home.

China graduates more than eight times as many engineers as the United States—India five times as many. Less than one-third of America's 4th and 8th grade students are proficient in math. Thirty percent of students who start high school don't finish in four years.

Of 120 large chemical plants under construction globally, one is in our country and 50 are in China. We rank only 12th in the world in broadband penetration. And in 2001, the last year for which comparable data are available, U.S. industry spent more on tort litigation than on research and development.

At the same time, 77 million baby boomers are preparing to retire. We have yet to secure an adequate supply of working taxpayers to run a growing economy and support an explosion of retirees.

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The Chamber's 2006 agenda is built around creating a more competitive American economy.

Complacency, rather than urgency, has defined much of our response. We've seen this before. Nearly 50 years ago, when the Russian Sputnik first orbited the earth, America was stunned by this threat to our global leadership, and we responded with purpose.

America needs the same sense of urgency and purposeful response today—even more so because the competitive challenges facing us are greater. We must adjust to the changing competitive environment across the world as well as to an aging society here at home.

We must create a more flexible, more open, and less bureaucratic economy. We must work tirelessly to improve, modernize, and move up the ladder of innovation. At the most basic level, we need to address the impediments and high costs that have made it too expensive to do business and to keep jobs in the United States.

The Chamber's 2006 agenda is built around creating a more competitive American economy. It begins with a clear-eyed recognition that America's place in the world is not a birthright. It never has been. It was earned through the hard work, sacrifice, risk taking, and inventiveness of our people and our businesses. Only by fully tapping those great American qualities—through policies that reward and encourage them rather than punish and smother them—will our global leadership continue into the 21st century and beyond.

Thomas J. Donohue
President & CEO
U.S. Chamber of Commerce

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The Economy in 2006

In 2005, the economy battled high and rising energy and raw materials prices, waning tax stimulus, increasing interest rates, subpar growth abroad, and three major hurricanes—one of which severely disrupted oil and gasoline production.

Despite these significant headwinds, the economy grew at a 4.1 percent pace in the third quarter and should average about 3.7 percent for 2005 as a whole.

> In 2006, we expect growth to average about 3.7 percent over the first half and 3.5 percent for the entire year.

In 2006, we expect growth to average about 3.7 percent over the first half and 3.5 percent for the entire year. Growth will be relatively well balanced with somewhat less reliance on consumption, a greater contribution from investment, and continued, but modest, improvement in the trade balance.

We do not anticipate a marked acceleration in overall inflation. The core consumer price index (excluding food and energy) was up 2.1 percent from a year ago in the third quarter of 2005. We expect 2.1 percent for 2006 as well. The Federal Reserve will push its fed funds target rate up to 5 percent by the middle of 2006 and then pause for some time.

Housing markets should continue to cool over the course of the year, but we do not foresee anything like a bubble burst on a national basis.

Personal consumption expenditures will grow 2.7 percent over 2006. Growth in business investment in equipment and software should average 9.6 percent for the year.

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The economy has generated 1.8 million jobs over the last year and 4 million since the end of 2003. The unemployment rate has remained steady at 5 percent. It will drift down to 4.9 percent by midyear, with monthly job gains averaging about 145,000.

The trade and budget deficits, as well as energy prices, remain areas of concern, but overall the Chamber is optimistic about the U.S. economy in 2006.

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The Chamber's 2006 Agenda

While our program of work includes more than 100 important issues and initiatives, the core of our agenda addresses the most critical questions facing our economy and our society:

- How do we stay competitive in a global economy that is rapidly changing?
- How do we keep our edge when countries like India and China are turning out many more times the number of engineers and scientists than we are—and our public schools are failing so many of our children?
- When will we get serious about modernizing public and private retirement and health systems and securing the workers that we need through immigration reform, as 77 million baby boomers get ready to retire?

These are not academic questions for think tank futurists in ivory towers. They are "here and now" questions that demand serious attention this year. The Chamber believes that our nation's continued prosperity and leadership can be secured by addressing the following competitive challenges:

Reform the Legal System and Fight for Business in the Courts

The U.S. tort system costs $246 billion a year, or more than 2 percent of GDP. By comparison, Canada, Japan, France, and the United Kingdom each spend less than 1 percent.

Nearly 90 percent of U.S. corporations are faced with some type of litigation.

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Seven years ago the Chamber founded the Institute for Legal Reform (ILR) to confront lawsuit abuse with a comprehensive program. We also expanded the courtroom advocacy of our law firm, the National Chamber Litigation Center (NCLC). These efforts have produced substantial results.

Nearly 90 percent of U.S. corporations are faced with some type of litigation.

At the federal level, 2005 saw the passage of the Class Action Fairness Act, the culmination of a five-year effort. Passage of the Protection of Lawful Commerce in Arms Act was another important achievement.

In the states, since ILR began conducting voter education efforts in state Supreme Court and attorney general races, more than 85 percent of candidates favoring liability reform have won election. Important legal reforms have been enacted in Mississippi, Florida, Georgia, Illinois, Missouri, South Carolina, Texas, and West Virginia. Due in large part to the pressure that the Chamber has brought to bear, judges in Madison and St. Clair counties, Illinois, are adjudicating cases more fairly, and juries are reaching more reasonable verdicts.

In the courts, NCLC filed a record 85 new cases in 2005 and helped obtain a record 41 victories. Our law firm has saved companies hundreds of millions of dollars by beating back excessive punitive damages and abusive class actions. NCLC has successfully challenged the Securities and Exchange Commission when it attempted to exceed its legal authority and turned back efforts to overcriminalize corporate conduct.

In 2006, the Chamber's legal reform priorities include:

Asbestos—We will push for enactment of a comprehensive and rational solution to the burgeoning asbestos-related liability crisis.

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The Chamber's law firm will focus on issues of overregulation, corporate free speech, securities litigation, abusive class actions, and excessive punitive damage awards.

Securities Litigation—We will review the current private securities litigation framework with a view toward proposing structural reforms that will improve the litigation environment for business.

Stop Attacks on Legitimate Industries—The Chamber will support the Personal Responsibility in Food Consumption Act, another step to thwart gratuitous legal assaults on honest companies.

Medical Screening—The Chamber will promote federal legislation that sets standards for medical screening practices, thus reducing the number of questionable claims made against employers in mass tort litigation. We will also create a medical database to detect fraudulent practices and analyze the relationship between lawyers, doctors, and screeners involved in these cases.

Voter Education—ILR will launch major voter education efforts leading up to the November 2006 elections for state Supreme Court judges and attorneys general.

State Legal Reform—We will support additional reforms in Florida, Illinois, and West Virginia and work for improvements in other problem states such as California, New Mexico, Oklahoma, Pennsylvania, and Wisconsin.

State Attorneys General—ILR will examine the expanding role of state attorneys general and work to eliminate potential conflicts of interest, abuses of due process rights, and unreasonable fines and settlements.

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Small Business Legal Reform—The Chamber will work to pass measures to discourage frivolous lawsuits aimed at small companies.

Global Forum Shopping—We will vigorously pursue our campaign to halt global forum shopping and the export of the U.S. tort system.

Courtroom Advocacy—NCLC, the Chamber's law firm, will expand its casework and legal action in 2006, focusing on issues of overregulation, corporate free speech, securities litigation, abusive class actions, and excessive punitive damage awards.

Strengthen U.S. Capital Markets and Stop Abusive Enforcement of Corporate Governance Rules

Today, nearly half of all American households—57 million in all—own stock either directly or through mutual funds. That's nearly double what it was just 16 years ago. Since the corporate scandals and the passage of Sarbanes-Oxley, we have imposed many serious changes on our public markets and our public companies—some of them needed reforms but others that threaten the competitiveness and innovative spirit of our businesses. Moreover, the SEC, state attorneys general, and other prosecutors have at times disregarded the due process rights guaranteed to all Americans.

In 2006, the Chamber will continue to speak out against these abuses as well as the regulatory overreach that has unduly burdened honest companies and caused many to flee or avoid our public capital markets altogether.

Capital Markets Commission—Last year, the Chamber announced the formation of a Commission on the Regulation of the U.S. Capital Markets. In a series of hearings, presentations, and studies throughout 2006, this independent commission will examine the impact that Sarbanes-Oxley and the patchwork quilt of state regulations are having on today's markets.

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> We will continue to challenge overreaching regulators and prosecutors at the state and federal levels, taking them to court when necessary.

Regulatory Overreach—The Chamber has successfully opposed the SEC's mutual fund corporate governance rules, Reg FD, the calculation of damages in securities matters, and a number of other issues of central importance to our capital markets. While supporting legitimate reforms, we will continue to challenge overreaching regulators and prosecutors at the state and federal levels, taking them to court when necessary. We will continue to expose other parties—such as unions, public pension funds, and trial lawyers—who attempt to use and abuse our capital markets to further their own interests.

Due Process and Attorney-Client Privilege—We will protect the sacred, constitutionally guaranteed right of due process and a key element of that right, the attorney-client privilege. Last year, the U.S. Sentencing Commission put in place a measure that is being used to essentially force companies, directors, managers, and employees to waive the attorney-client privilege whenever the government demands it. We've joined with groups such as the American Civil Liberties Union, the American Bar Association, and the National Association of Criminal Defense Lawyers to fight this assault on the fundamental rights that are guaranteed to every citizen.

Accounting and Auditing—We are also focused on the challenges facing the accounting industry and the auditing profession, which are being pushed to do more while being regularly second-guessed by the Public Company Accounting Oversight Board and the tort bar. At the same time, companies feel that they are receiving less advice and paying a lot more for it. Working with our European partners, the

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Chamber will also lead a dialogue on the need to develop a common set of international accounting standards.

> The Chamber will strongly advocate that public companies refrain from issuing quarterly earnings guidance.

Section 404—Section 404 has had unintended impacts on corporate leadership and the use of company resources. It has discouraged participation on corporate boards and audit committees and has damaged relationships between auditors and their clients. The Chamber has issued detailed suggestions for improvements in the application of Section 404 rules and is advocating their acceptance.

Earnings Guidance—The Chamber will strongly advocate that public companies refrain from issuing quarterly earnings guidance. Some managers forgo making investments and cut expenditures on R&D and marketing to ensure that they hit quarterly numbers. Earnings guidance is also a contributor to a growing number of class action securities lawsuits.

Expand the Workforce and Restore Excellence In Education and Science

We are staring right in the face of a severe worker shortage as 77 million baby boomers prepare to retire in the next few years—with a fewer number of younger workers available to replace them.

Moreover, many new jobs will require more technical skills and a greater understanding of math and science—subjects in which American students fail to show a suitable level of competence or even interest.

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> We must vastly improve education, expand legal immigration, and get people to stay in the workforce longer.

Continued increases in worker productivity are important, but they address only a part of our workforce challenge. They fail to address the need for additional taxpayers to support our pay-as-you-go entitlement programs soon to be accessed by tens of millions of baby boomers. In order to defy the compelling math of America's changing demographics, we must vastly improve education, expand legal immigration, and get people to stay in the workforce longer.

The Chamber will lead the fight on these critical challenges in 2006:

Education and Training

State and Local School Reform—Similar to our legal reform efforts, the Chamber will conduct independent professional research to identify and rank student performance by state, or even by county, with the idea that businesses would find this information useful in determining where to locate. This research can also be used as the basis for greater investment and empowerment in poorly performing districts.

No Child Left Behind—We support the goals behind this reform legislation to reduce the educational gap.

Workforce Investment Act—We want to ensure that federal education and training programs, such as those authorized under the Workforce Investment Act, focus on the elements necessary to help American workers obtain high-wage, high-skilled jobs by increasing program coordination with state and local chambers, local businesses, and education and training institutions.

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Higher Education Act—The Chamber will seek reauthorization of the Higher Education Act, with provisions that recognize the needs of adult workers and ensure that there is equitable treatment for—and expanded access to—proprietary postsecondary education companies.

> We will conduct independent professional research to identify and rank student performance by state, which businesses would find useful in deciding where to locate.

Double Graduates in Key Subjects by 2015—With several other business organizations, the Chamber has started an initiative with a goal of doubling the number of science, technology, engineering, and math graduates by 2015.

Immigration

Throughout our history, the dreams and hard work of immigrants have been a driving force behind America's success as a strong, prosperous nation. We need the continued contributions of these immigrants to grow and remain competitive.

In 2006, the Chamber will work to pass comprehensive, fair immigration reform that along with improved border security will:

- Provide an earned pathway to legalization for undocumented workers already contributing to our economy, provided that they are law-abiding and prepared to embrace the obligations and values of our society.

- Create a carefully monitored guest worker program to fill the growing gaps in America's workforce recognizing that, in some

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In 2006, the Chamber will work to pass comprehensive, fair immigration reform.

cases, permanent immigrants will be needed to fill these gaps.

- Refrain from unduly burdening employers with worker verification systems that are underfunded or unworkable.

- Address delays, backlogs, and disruptions in our immigration and border management systems that impede the movement of legitimate cargo and travelers across U.S. borders.

- Ensure the continuity and expansion of H-1B and L-1 visas for professionals and highly valued workers.

Improve Health and Retirement Security In an Aging Society

Closely related to the looming shortages of qualified workers is the viability of public and private health care and pension systems needed to care for our aging society. Both issues reflect the shifting demographics of our society. Both directly impact our competitiveness in a rapidly changing global economy.

"Our current, largely pay-as-you-go social insurance system ... is ill-suited to address the unprecedented shift of population from the workforce to retirement that will start in 2008."

—Alan Greenspan

Outgoing Federal Reserve Chairman Alan Greenspan has noted that the edge of the baby boom generation will begin claiming Social Security benefits in 2008—just two years from now. They will become eligible for Medicare just five years from now.

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"Our current, largely pay-as-you-go social insurance system," Chairman Greenspan explained, "is ill-suited to address the unprecedented shift of population from the workforce to retirement that will start in 2008."

In 2005, President Bush began a discussion with the American people about the advantages of making modest changes in Social Security now in order to avoid more drastic measures later. The Chamber and other business organizations strongly supported the president's efforts to move the imperative of entitlement reform to the top of the nation's agenda. We will continue to vigorously support the efforts of all public officials who have the political courage to carry the banner of reform forward.

> The Chamber will aggressively represent the interests of the business community in all aspects of pension reform.

Private pensions and employer-based health plans are also under severe financial stress. Many employers are struggling to continue providing health care in the face of double-digit premium increases. Providers are struggling to absorb skyrocketing liability costs, regulatory burdens, and shrinking payments for services under Medicare and Medicaid.

At the rate of health care inflation, American companies are at a competitive disadvantage. General Motors, for example, spends more than $1,500 on health care for every vehicle it produces, more than what it spends on steel. We must create more affordable health care, maintain quality, and avoid the pitfalls of a government-run system.

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In 2006, the Chamber will work on these pension and health care objectives:

Pensions—We must complete work on pension legislation passed by the Senate and the House at the end of 2005. In this bill and other proposals, the Chamber will aggressively represent the interests of the business community in all aspects of pension reform, including ensuring that a permanent reasonable interest rate is enacted to replace the 30-year Treasury bond rate, enacting responsible funding rules for multiemployer plans, and guaranteeing the legality of cash balance and hybrid pension plans.

Retirement Savings—We will also seek legislation allowing increased contributions to retirement accounts while blocking efforts to impose undue restrictions on those accounts, including increased liability for employers.

Small Business Health Plans (also known as Association Health Plans)—The Chamber strongly backs legislation allowing small businesses to pool risk and access health coverage without regard to state mandates.

Health Savings Accounts and Flexible Spending Accounts—We will advocate further tax incentives to make it easier for small business employees and individuals to participate in HSAs and seek greater legislative modification of the existing use it or lose it rule for health care FSAs.

Medical IT—The Chamber will promote the adoption of information technologies to establish electronic medical records, decision support mechanisms, and claims processing.

Medical Liability—We will continue to seek comprehensive reform of the health care liability system, including caps on noneconomic damages and limits on attorneys' fees, and ensure that liability for employers and health plan sponsors is not expanded.

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Open Markets, Protect Intellectual Property, and Fight Economic Isolationism

The Chamber will continue to lead a two-front battle to knock down trade barriers abroad and keep our markets open at home. Trade is no longer a luxury. It is in the vital self-interest of our nation. One-third of our economy is now trade dependent. Ninety-five percent of the world's consumers live outside the United States, and we want to sell something to each of them.

The Chamber will continue to lead a two-front battle to knock down trade barriers abroad and keep our markets open at home.

Free trade critics are right on one score: too many markets abroad remain unfair and closed to American goods and services. Our intellectual property is being stolen, and our products are being pirated and counterfeited. But the answer isn't to close our markets—it's to open theirs and instill the rule of law.

A special challenge to our continued openness as an economy and society is the need to protect the homeland during a global war on terror. The Chamber believes that we can measurably improve the safety of all Americans without sacrificing our prosperity or our values.

In 2006, the Chamber's global agenda includes initiatives in trade, the protection of intellectual property, and homeland security.

The Trade Agenda

Doha Development Agenda Negotiations—Building on modest success in the Hong Kong ministerial, the Chamber will seek an ambitious global trade deal covering manufactured goods, services, agricultural products, and trade facilitation.

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Free Trade Agreements (FTAs)—We will push for the opening of foreign markets through bilateral and regional free trade agreements, with key growth markets in the Western Hemisphere, the Middle East, the Asia-Pacific region, and Africa.

Economic Sanctions—We must contain the proliferation of counter-productive sanctions and restrictions on incoming foreign investment, as well as new restrictions on U.S. exports and global sourcing.

A Level Playing Field in China—The Chamber will work to ensure that U.S. companies are receiving national treatment and the full market access that underlies China's WTO commitments.
We will focus on intellectual property rights enforcement and continue to prod China toward an open and transparent financial services market and a more flexible market-based currency regime.

Regulatory Compatibility—We will seek harmonization of U.S. and foreign regulatory rulemaking processes with respect to product standards, competition policy, intellectual property enforcement, and accounting standards.

Opportunities in South and Southeast Asia—The Chamber will lead the fight for legislation providing for the sharing of civilian nuclear technology with India; support efforts to conclude investment treaty negotiations between the United States and Pakistan; press for completion of the U.S.-Thailand free trade negotiations and Vietnam's WTO accession process; and launch new initiatives with Malaysia and Indonesia.

U.S.-EU Relations—We will push for a forward-looking and ambitious transatlantic agreement between the United States and Europe that removes remaining trade and investment barriers and stops the slide toward regulatory divergence and standards incompatibility.

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Reform in the Western Hemisphere—Impediments to more dynamic growth in the Americas must be removed through new FTAs with the Andean countries and Panama, trade facilitation, and market access reforms and structural reforms to spur hemispheric growth.

Global Initiative to Stop Intellectual Property Theft, Counterfeiting, and Piracy

The Chamber and the National Chamber Foundation will continue to lead and expand one of our organization's most important initiatives—a comprehensive worldwide program to effectively thwart the growing threat that IP theft, counterfeiting, and piracy pose to the U.S. economy, the global business community, and consumers.

> Our intellectual property is being stolen, and our products are being pirated and counterfeited. But the answer isn't to close our markets—it's to open theirs and instill the rule of law.

These crimes cost U.S. companies some $250 billion per year and cost American workers 750,000 jobs. This rampant lawbreaking hurts innovation, undercuts our ability to compete in foreign markets, exposes companies to massive liability exposure, threatens public health, and even helps fund organized crime and terrorism.

All three components of our strategy will be significantly advanced in the coming year:

- Educate businesses, the media, lawmakers, and the public on the growing economic threat of counterfeiting and piracy in the United States.

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- Work with manufacturers, retailers, and law enforcement to disrupt the counterfeiting networks' ability to use legitimate distribution channels in the United States.

- Expand ongoing international initiatives in the priority countries of China, Brazil, India, Korea, and Russia. The Chamber will also strengthen relationships with key associations and governments around the globe, with a strong focus on the European Union and Japan.

We will also strengthen partnerships with U.S. government agencies through the Strategy Targeting Organized Piracy (STOP) initiative; implement a strong enforcement initiative to combat domestic counterfeiting and piracy; and work to move the recently passed Stop Counterfeiting in Manufactured Goods Act to the president for his signature.

Homeland Security

The Chamber will work for balanced and effective strategies to defend our homeland while protecting our economy, mobility, and free way of life.

Critical Infrastructure and Cybersecurity—The Chamber will develop, analyze, and promote public policies that affect the nation's critical infrastructure system, 85 percent of which is under private control.

Customs, Transportation, and Border Security—We will continue to urge the Department of Homeland Security (DHS) and Congress to strike the right balance between enhanced border and port security with the smooth flow of legitimate trade and travel in our just-in-time global economy.

Implementation of the SAFETY Act—We will team with DHS to implement the Support Anti-Terrorism by Fostering Effective Technologies Act of 2002 (the SAFETY Act), which is designed to encourage the development and introduction into the marketplace of anti-terrorism technologies by providing sellers with certain liability protections.

End America's Energy Vulnerability and Build a 21st Century Infrastructure

When it comes to energy, we are a nation of contradictions—and in some cases hypocrisy. We bemoan our dependency on foreign energy, but prohibit further oil and gas development on federal lands and off our coasts.

If businesses can't get affordable energy in the United States, they will go elsewhere to find it. This has already happened in the chemical industry, and others will follow unless America changes course soon.

> When it comes to energy, we are a nation of contradictions—and in some cases hypocrisy.

We must secure our future by developing greater energy supplies in our own country. Comprehensive energy legislation signed into law in 2005 was an important step. Yet, India, China, and the rest of the developing world are thirsting for energy to power their fast-growing economies. In 20 years, Asia will need 129 percent more energy than it uses today.

The United States is also greatly increasing its energy demands. Twenty years from now, we will need a third more energy than we use today—even with continued improvements in efficiency. Where are we going to get that energy? Is it wise to rely on such unstable sources in the Middle East, Venezuela, Africa, and Russia?

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> In addition to improving roads and bridges, it is critical that airports, air lanes, seaports, border crossings, and intermodal connectors are expanded and modernized.

Producing and moving fuel and power are not the only infrastructure challenges that our nation must meet to remain globally competitive. 2005 saw the enactment of a Chamber-backed multiyear highway bill with record funding. As a study sponsored by our National Chamber Foundation found, the bill only begins to address the long-term transportation needs of our country.

In addition to improving roads and bridges, it is critical that airports, air lanes, seaports, border crossings, and intermodal connectors be expanded and modernized. The future of the commercial airline industry must also be addressed. And the regulatory systems governing telecommunications—the infrastructure of the future in a wired (and an increasingly wireless) world—must be overhauled so that the United States continues its leadership in technology.

2006 Chamber priorities include:

Energy

- We will strongly advocate environmentally compatible exploration for oil and natural gas in the Arctic National Wildlife Refuge and on portions of the Outer Continental Shelf now closed to drilling.

- The Chamber will continue to ensure that regulation of air emissions is based on sound science and that emissions controls focus on performance and market-based programs rather than on command-and-control mandates. We support promulgation of market-based, multipollutant air emissions programs.

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- We ask that any climate change policies do not place unreasonable burdens on businesses and the economy, and we will support efforts by industry to develop and export clean technologies to the developing world where the bulk of new greenhouse gas emissions originate.

- The Chamber will work with the nuclear industry in support of a final permit for Yucca Mountain and for full funding of the project.

Transportation and Travel

- The Chamber will push for full funding of the nation's waterways programs; support increased investments in the Federal Aviation Administration and the Air Traffic Control System; and protect the Aviation Trust Fund so that the necessary funds are dedicated to the aviation infrastructure.

- We will release an economic impact study of travel and tourism on state and national economies and implement an education campaign to raise awareness. We will also develop a grassroots network to generate support for travel and tourism.

Telecommunications Reform

- The Chamber will seek updated telecommunications laws and the elimination of federal policies that hinder investment in technology; develop a comprehensive, unified national spectrum management strategy to reduce the artificial scarcity of spectrum and to increase the flexibility in allocating spectrum.

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Advance Policies That Promote Work, Savings, Innovation, and Technology

A flexible, innovative, competitive economy requires tax, regulatory, and other policies that encourage work, savings, innovation, and technology while reducing bureaucratic and market impediments on small businesses and entrepreneurs.

The Chamber's 2006 objectives in these areas include:

> A flexible, innovative, competitive economy requires tax, regulatory, and other policies that encourage work, savings, innovation, and technology.

Tax Bill—We will push for completion of a tax bill under the reconciliation process that extends the 15 percent top rate for dividends and capital gains, provides alternative minimum tax relief, provides faster cost recovery of capital investment, and extends and expands the research and experimentation credit—while removing provisions that would "double-tax" energy companies and potentially drive them out of the United States.

Bush Tax Cuts—We strongly support making the repeal of the death tax permanent, extending other expiring Bush tax cuts, and renewing incentives to reinvest foreign earnings in the United States as well as exceptions under subpart F for active financing income. We will monitor tax reform efforts by the Bush administration and Congress to ensure that concerns of Chamber members are accounted for.

Workplace Flexibility—The Chamber backs targeted pro-employer amendments to employment laws through legislative, regulatory, and administrative changes—including reforming the wage and hour and

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Occupational Safety and Health laws, the Family and Medical Leave Act, and the Office of Federal Contract Compliance Programs' implementing regulations.

Unions—The Chamber will aggressively oppose union-backed proposals, such as abolition of secret ballot elections, reliance on card check majorities for union recognition, and a minimum wage increase. We will continue to expose unreasonable union organization tactics, such as salting and corporate campaigns.

Arbitration—We will protect the use of binding arbitration in employment.

E-Commerce—The Chamber will strongly back private sector initiatives that promote responsible privacy policies by the business community.

Patents—We must reduce the processing time and improve the legal viability of patents and trademarks by ensuring that the United States Patent and Trademark Office receives full funding.

Data Security—The Chamber will work to craft practical, meaningful data security legislation that includes a unified national breach notification standard.

Biotechnology—We oppose legislative and regulatory barriers that could hinder the growth of biotechnology at the national and international levels, including regulations that impair unfettered marketplace activity, with a concerted focus on genetically engineered food.

Paperwork Reduction and Regulatory Flexibility—The Chamber supports reauthorization of the Paperwork Reduction Act and will work with House and Senate committees to address loopholes in the Regulatory Flexibility Act (RFA).

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Data Quality—The Chamber will insist that federal agencies comply with provisions of the Data Quality Act, including requirements that federal agencies disclose all data and analyses supporting proposed regulations and that the data are objective, accurate, and complete.

Affirm and Expand the Private Sector Role in Society

In our system, the private sector takes risks, develops innovations, and drives economic growth that creates jobs, funds education, pays for a strong defense, and provides resources to help the poor and protect the environment. And as evidenced by the effective business response to recent hurricanes and other natural disasters, private sector solutions can often exceed the capacities and speed of government.

> In a year of widespread human suffering, the Chamber played a major role in coordinating the most massive private sector outpouring of help and compassion ever seen.

There are, of course, competing voices in society that oppose, don't recognize, or don't understand the critical importance of the private sector and the imperative of economic growth to a competitive and prosperous America. A key mission of the U.S. Chamber has been to unify and rally the business community on a host of common issues, spur greater business involvement in politics and public affairs, and marshal armies of compassionate capitalists across our land to help those in need.

We must affirm and expand the role of the private sector in society in order to create a more competitive economy with greater opportunities for all.

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In 2006, this mission will be embodied in several vital projects:

Politics—The Chamber will launch an aggressive, well financed, and comprehensive political program to defend a pro-business majority in Congress in the November 2006 elections. We will support candidates of both parties who have cast the tough votes on behalf of economic growth and work to defeat those who have not. We will conduct fund-raising activities, meet and greets, and outreach efforts utilizing the Chamber's state-of-the-art **VoteForBusiness.com** Web site and specifically target the most difficult races where our involvement can make a real difference.

Voter Education—Building on great success in recent election cycles, the Chamber and the Institute for Legal Reform will launch major voter education efforts in many states where Supreme Court judges and attorneys general are up for election this November.

Economic Education and Business Solutions—Through programs, studies, and initiatives, the National Chamber Foundation will advance the policy debate, formulate winning business arguments, and develop market-based policy alternatives. TradeRoots, which educates communities on the benefits of free trade, will accelerate its program in the face of rising anti-trade sentiments. Overseas, the Chamber-run Center for International Private Enterprise (CIPE) will broaden its capacity-building projects to equip developing economies with the institutions and economic values they need to succeed globally.

Building Stronger Chambers and Associations—Last fall, the Chamber released the results of an important research project, The Future of the Competitive Association, which provides business groups with strategies for growth. Additional tools will be created in 2006 to ensure the continued growth and activism of business in the public affairs of our country and communities.

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Rebuilding New Orleans and the Gulf Coast Region—In a year of widespread human suffering at the hand of nature, the Chamber, principally through its affiliate the Business Civic Leadership Center (formerly the Center for Corporate Citizenship), played a major role in coordinating the most massive private sector outpouring of help and compassion ever seen. It is essential that the business community, along with our entire nation, continue a strong commitment to rebuilding the shattered communities along the Gulf Coast. We must not allow the recent flagging of media and public interest in this cause to deter us. The business community must keep the restoration of the Gulf Coast at the very top of the national agenda.

Meeting the competitive challenges covered in this report will set our nation on a course of continued economic prosperity and leadership in the 21st century. The U.S. Chamber encourages your ideas, welcomes your comments, and seeks your support for this critical agenda to secure America's future and to create a more peaceful and prosperous world.

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The Chamber in 2005—Growth and Accomplishments

Strengthening the Chamber and Securing Its Future

In 2005, the U.S. Chamber of Commerce continued to expand its membership base of large companies, small businesses, and business associations, and it enlisted 100,000 new members through an innovative partnership with leading local chambers across the country.

Financially, the Chamber has never been stronger. A successful Capital Campaign, still in its early stages, has enabled the Chamber to free itself from accessing a costly line of credit and will underpin the most important projects of this institution, as well as its physical infrastructure and human resources, for years to come.

We continue to hire the most capable and dedicated people on emerging business issues, such as the protection of intellectual property, education reform, and corporate governance and accounting rules. We are adding the best lobbyists, lawyers, international specialists, and communications experts in both full-time capacities and as Chamber "fellows."

We purchased a facility on Capitol Hill, which, when refurbished, will further raise the Chamber's legislative profile and house a growing team of lobbyists. Together with the Institute for Legal Reform, the Chamber ranks among the top lobbying spenders in Washington.

In 2005, the Chamber's headquarters was the site of thousands of meetings. Dozens of heads of state and other dignitaries came to visit. Our communications team organized more than 20 major press conferences and hundreds of individual media appearances for Chamber officers and arranged major speeches across the country—which together earned unprecedented national and international coverage for the business viewpoint and agenda.

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Advancing Critical Business Initiatives

In 2005, we also substantially expanded critical Chamber initiatives, particularly our **program to fight intellectual property theft, counterfeiting, and piracy**, as well as our efforts to **strengthen U.S. capital markets** while guarding against regulatory overreach and stopping abuses of due process rights.

The Institute for Legal Reform (ILR) was active on many fronts at all levels of government to challenge lawsuit abuse. ILR lobbied for federal and state legislation, educated voters in upcoming state Supreme Court and attorney general races, and conducted seminal research on legal topics—which also exposed the excesses of some state attorneys general, class action trial lawyers, and securities litigators. Our legal reform campaign even includes the establishment of newspapers in Madison and St. Clair counties, Illinois, and in West Virginia, where it has been difficult to secure fair coverage of legal abuses in those jurisdictions.

In the **international arena**, the Chamber continued to expand its expertise, effectiveness, and network of affiliates and partner organizations across the globe. We established an on-the-ground presence in China to further intellectual property rights protections at the national and provincial levels. We were a leader in the business coalition supporting progress at the recently concluded Hong Kong ministerial of the Doha Development Round. We were also instrumental in the successful effort to pass a free trade agreement with the Dominican Republic and the Central American nations.

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Winning for Business in Congress and in the Courts

Working with many capable and committed business organizations, companies, coalitions, and legislators, the Chamber helped win passage of major business legislation in 2005, including:

The Class Action Fairness Act—Moves many class actions to federal courts from state courts, where the potential for abuse is greater, and discourages frivolous litigation.

Energy Legislation—Increases energy efficiency and conservation, expands domestic production, and encourages investment in infrastructure and new energy technologies.

Bankruptcy Reform—Restores fairness to the bankruptcy system by making it harder for upper-income filers to walk away from their debts.

Dominican Republic-Central American Free Trade Agreement — Opens important markets to U.S. products while strengthening the prospects for economic progress and democracy in the Americas.

Transportation Bill—Provides a record $286.5 billion in funding over five years for the nation's core surface transportation program.

Terrorism Risk Insurance Act (TRIA) Extension—Extends the terrorism insurance backstop for two years.

Junk Fax Prevention Act—Restores an established business relationship exception to the general rule against sending unsolicited advertising faxes and eliminates costly paperwork burdens on small businesses.

Lawsuits Against Firearms Makers—Stops frivolous lawsuits against the firearms industry for legally selling nondefective products and may slow legal attacks on other industries.

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U.S.-Bahrain Free Trade Agreement—Establishes another free trade foothold in a region that is critical to U.S. and global security.

Stopping Anti-Business Bills—In addition to enacted bills, the Chamber's 2005 legislative scorecard also includes dozens of measures onerous to the business community that were blocked, such as measures to restrict global sourcing, to increase the federal minimum wage, and many back door tax hikes on companies.

Moving the Ball Forward —The Chamber also helped win House passage of other legislation important to business, moving the ball forward and setting the stage for debate and action in the Senate in 2006. Key House victories include Small Business Health Plans (also known as Association Health Plans), medical liability reform, OSHA reform, and permanent repeal of the death tax.

Victory in the Courts—The Chamber's law firm, the National Chamber Litigation Center (NCLC), entered a record 85 new cases of significance to the business community in 2005 and has secured 41 victories. NCLC successfully challenged the Securities and Exchange Commission on several occasions and helped companies overcome outrageous punitive damage awards and abusive class actions. Our lawyers successfully reined in some excesses in securities litigation and made headway in reversing abusive legal practices in Madison County, Illinois.

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About the U.S. Chamber

The U.S. Chamber of Commerce is the world's largest business federation. Our federation includes:

- 3 million businesses
- 2,800 state and local chambers of commerce
- 850 business associations
- 104 American Chambers of Commerce in 91 countries

Members include businesses of all sizes, sectors, and regions. Many of the nation's largest companies are active Chamber members, and more than 96 percent of our members are small businesses with 100 employees or fewer.

The Chamber's core mission is to fight for business and free enterprise before Congress, the White House, regulatory agencies, the courts, the court of public opinion, and governments around the world.

The Chamber's headquarters is located directly across Lafayette Park from the White House. We maintain a professional staff of more than 500 policy experts, lobbyists, lawyers, and communicators. We have 8 regional offices around the country; offices in New York, Brussels, and an on-the-ground presence in China; and a network of grassroots business activists.

Distinctive Chamber capabilities and affiliates include the following:

The National Chamber Litigation Center—Our public interest law firm that defends business interests and sues government agencies on behalf of companies.

The Institute for Legal Reform—The Chamber affiliate that challenges lawsuit abuse on many fronts, fights for legal reform legislation, and educates voters in state judicial and attorney general races.

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The National Chamber Foundation—Our public policy think tank that drives the debate, develops the data and arguments, and influences policy options on the most critical business issues.

The Political Program—The Chamber's aggressive political action component that endorses, supports, raises money, and turns out the vote for pro-business congressional candidates from both parties who are engaged in key races.

The International Division—Our trade and foreign affairs experts who work to lower barriers and expand our members' commercial interests across the globe.

The Center for International Private Enterprise—A Chamber-led project of the National Endowment for Democracy that helps emerging nations develop the free market practices and institutions they need to succeed in the global economy.

TradeRoots—A sustained grassroots trade education program supporting free trade legislation and helping chambers, communities, and governors assist small and medium-size companies to expand into the global marketplace.

The Center for Workforce Preparation—The Chamber affiliate that focuses on workforce development and education issues.

Business Civic Leadership Center (formerly the Center for Corporate Citizenship)—An organization devoted to advancing the positive role of business in society.

The Space Enterprise Council—A coalition of companies that works to ensure U.S. leadership in space through legislative advocacy and regulatory action.

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EXHIBIT 4

The State of American Business

2007

Thomas J. Donohue

President & CEO
United States Chamber of Commerce

USCC 55821

PECK EXHIBIT 4
Offered by Opposer, The Chamber of Commerce of the United States of America

The Chamber of Commerce of the United States of America v. United States Hispanic Chamber of Commerce Foundation
Opposition Number 91/156,321

The State of American Business 2007

A Special Message From the U.S. Chamber of Commerce:

The state of American business is fundamentally strong. Whether business remains strong will depend on the decisions and actions of the government and private sector leaders who drive the world's most successful economy.

Our economy faces changes and challenges we have never seen before. It would be a serious mistake to take current growth for granted and wait until the problems we can identify today become crises tomorrow.

We must act now to reform and modernize the policies and practices that drive some jobs, capital, and companies out of our country.

We must act now to reform and modernize the policies and practices that drive some jobs, capital, and companies out of our country.

We must commit ourselves today to equipping our young people with the education and training they need to succeed in a competitive worldwide economy.

We can no longer afford to ignore urgently needed improvements in our infrastructure or the compelling need to expand energy from all sources.

And with 77 million baby boomers starting to retire, we must squarely confront the realities of changing demographics—welcoming law-abiding immigrants, competing for global talent,

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opening markets at home and abroad, and securing our health care, pension, and entitlement systems.

We will advance a clear mission to build a more competitive economy that creates jobs, opportunities, and economic security for all Americans.

In 2007, the U.S. Chamber of Commerce will appeal to governments at all levels, elected officials across the political spectrum, companies and chambers of all sizes, and institutions across society to join us in advancing a clear mission—to build a more competitive economy that creates jobs, opportunities, and economic security for all Americans.

We understand that the political and legislative environment in Washington has changed. This may alter our tactics and, in some respects, our expectations, but not the ambition of our goals.

The Chamber will pursue a three-part strategy to get things done:

First, we will ask Congress and the administration to enact pro-growth proposals—including reforming immigration and visa policies; reauthorizing tax, trade, education, and terrorism insurance laws; addressing long-term problems such as access to affordable health care and the mass tort liability crisis; expanding energy supplies and our infrastructure; and modernizing the rules governing pensions, patents, the workplace, the environment, and entitlements.

We will build coalitions around these issues and reach out to members of both parties to pass legislation. While enacting pro-business legislation may be more challenging than in the last Congress, we will not fail simply because we have not tried.

Second, the Chamber will mount an effective defense—pushing back at members of Congress of either party who advocate policies that would damage our ability to create jobs and compete across the globe. Legislators who use their positions to unfairly malign or harass good companies will not go unchallenged.

Legislators who use their positions to unfairly malign or harass good companies will not go unchallenged.

With many business-friendly lawmakers sitting on both sides of the aisle, and with an administration that supports the business viewpoint on many issues, we believe the prospects for a successful defense of the free enterprise system are good.

Third, the Chamber will advance far-reaching competitive reforms that extend well beyond the corridors of Capitol Hill—working in the regulatory agencies and in the courts, going to the states and to international bodies, reaching into communities and educational institutions, and appealing to the court of public opinion. The Chamber has worked hard to build an organization with a global reach and a grassroots depth. We will apply these assets to ongoing work and new initiatives in the following areas:

- **Legal Reform**—The Chamber's Institute for Legal Reform (ILR) and National Chamber Litigation Center (NCLC) will work in the states, in the courts, and in regulatory agencies as well as in Congress to repair broken legal systems, rein in punitive damage rewards, stop regulatory overreach, and change America's litigation culture. ILR will also extend its reach overseas to stop the export of U.S. litigation practices.

- **Education and Workforce Initiative**—In February 2007, the Chamber will issue a comprehensive state-by-state report card

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on America's public schools and propose major reforms to cut the nation's alarming high school dropout rate and better prepare students for college and the workplace.

- **Energy Security and Global Warming**—We will create a new organization within the Chamber that is dedicated to ensuring honest debate and sound decision making on energy and climate change issues. We are making this commitment because of energy's fundamental importance to our economy, security, and way of life.

- **Defense of Global Trade and Engagement**—Advocates of open markets and free trade have fallen short on efforts to communicate the benefits of global engagement to American workers, families, and consumers. The Chamber intends to change this in 2007 with a vigorous and proactive nationwide program.

- **U.S. Capital Markets and the Impact of Sarbanes-Oxley**—In spring 2007, the Chamber's independent, bipartisan Commission on the Regulation of U.S. Capital Markets in the 21st Century will issue its ideas to strengthen U.S. capital markets and address the unintended consequences of Sarbanes-Oxley.

- **Addressing Global Regulatory Divergence**—An underappreciated and increasing threat to American companies and workers is the proliferation of divergent regulatory frameworks, particularly in Europe and China. The Chamber will launch a targeted program of work to achieve greater regulatory cooperation around the world.

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- **Fighting Counterfeiting, Piracy, and the Theft of Intellectual Property**—The Chamber will expand its successful initiative to fight counterfeiting and piracy at home and abroad through a global strategy of education, detection, and enforcement. Our mission is to make the world a miserable place for counterfeiters and pirates.

Americans can compete and win in the worldwide economy if we have the tools, training, and freedom to succeed.

- **Rebuilding America Initiative**—The Chamber will launch an infrastructure capacity initiative that will define, quantify, and illustrate the compelling need for new investments to create superior transportation, logistics, energy, and telecommunications systems. Growth and competitiveness cannot be sustained on our existing infrastructure platform.

With the rise of new competitors abroad and an aging population at home, our nation faces a challenging future. Americans will continue to compete and win in the worldwide economy if we have the tools, training, and freedom to succeed. Our nation was built on the simple, powerful idea that in this country the future is always better than the past. The Chamber is dedicated to helping America affirm this proud legacy in 2007 and beyond.

Thomas J. Donohue
President & CEO
U.S. Chamber of Commerce

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The economic fundamentals for 2007 look good. Americans can expect balanced growth and job creation along with continued increases in compensation.

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With a change in congressional leadership, the Chamber will pursue a three-part strategy to support business, create jobs, and build a more competitive economy. This strategy includes:

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The Economy in 2007

In 2006, the U.S. economy endured high energy and raw materials prices, increasing interest rates, and a sagging housing market.

Amid these headwinds, the economy managed to grow 2.2% in the third quarter and should average about 3.3% for 2006 as a whole.

In 2007, we expect growth to range between 2.5% and 3.0% in the first half and 2.4% for the entire year. Growth will be relatively well balanced with less reliance on consumption, a greater contribution from investment, and continued, but modest, improvement in the trade balance.

We expect continued moderation in overall inflation and in core prices. The core consumer price index (excluding food and energy) was up 2.8% from a year ago in the third quarter of 2006. We expect it to average about 2.7% for all of 2007. The Federal Reserve has pushed its fed funds target rate to 5.25%, and we believe they will keep it there for most of 2007.

Overall, the Chamber is optimistic about the U.S. economy in 2007.

Housing markets will remain weak over the first half of 2007 but should stabilize during the latter part of the year.

Personal consumption expenditures will grow 3.0% over 2007, while growth in business investment in equipment and software should average about 6.0% for the year.

The latest revisions to the employment figures indicate that the economy has generated nearly 3 million jobs over the last year and about 6.3 million since the end of 2003. The unemployment rate dropped to 4.4% last October but should rise back to around 5% in

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2007, with monthly job gains expected to average about 130,000.

The trade deficit, the housing market, and energy prices remain areas of concern, but overall the Chamber is optimistic about the U.S. economy in 2007.

Business in the New Washington: A Three-Part Strategy

During the 2006 election cycle, the Chamber endorsed 277 congressional candidates from both parties—and 222 were successful. A majority of pro-legal reform candidates won races in which the Chamber's Institute for Legal Reform (ILR) worked to educate the public. Still, it was a difficult political environment dominated by the war in Iraq and corruption scandals—not by economic issues. The business community lost a number of its strong supporters in the House and Senate.

> **We will work for pro-growth legislative proposals, challenge anti-business legislation, and reach beyond Congress to advance competitive reforms.**

Although majority control has shifted and with it the key committee chairs, the Chamber's strong election support for pivotal Democrats, our relationships across the aisle, and the close margins between the parties will serve us well going forward.

In 2007, the Chamber will pursue a three-part strategy that includes (1) working for pro-growth legislation to support economic prosperity, (2) challenging anti-business proposals that would hurt growth and cost jobs, and (3) reaching beyond Congress to advance competitive reforms across the American economy and society.

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Working for Pro-Growth Legislation

The Chamber's legislative priorities in the new Congress include the following:

Immigration reform and visa policies

The Chamber will work for passage of comprehensive immigration reform that (1) provides for better control of our nation's borders and an effective employee verification system; (2) creates an efficient guest worker program; and (3) allows for earned legal status leading to permanent residency for qualified, screened undocumented immigrants now in the country. We will push for the continuation and expansion of both temporary and permanent visa programs including the L-1 and H-1B and programs that give employers as well as the education and medical communities the ability to access needed talent.

Education reform and workforce development

As part of our broader initiative to improve America's schools and workforce training, the Chamber will work to reauthorize and strengthen the No Child Left Behind Act (K–12), the Higher Education Act, and the Workforce Investment Act. We will urge Congress to pass President Bush's American Competitiveness Initiative to expand our supply of well-trained engineers and scientists.

We will support positive energy proposals to expand domestic oil, gas, and coal production.

Energy security

We will support positive energy proposals to expand domestic oil, gas, and coal production; invest in alternative and clean energy technologies; boost U.S. refinery capacity; and improve our energy infrastructure. We will seek approval of the Yucca Mountain nuclear waste repository's implementation plan and the expansion of clean, safe nuclear power.

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Affordable health care

The Chamber seeks solutions to lower health care costs for employers and consumers while expanding access to the best health care. We support initiatives to expand the use of information technology in the health sector. We will also continue to support improvements to health savings accounts; tax deductibility of premiums for individuals and the self-employed; tying future physician reimbursement for Medicare to performance-driven benchmarks; small business health savings plans; and modifications of the current use-it-or-lose-it provisions for flexible spending accounts. The Chamber will also oppose the removal of the noninterference provisions from Medicare Part D.

The Chamber seeks solutions to lower health care costs while expanding access to the best health care.

Trade expansion

The Chamber believes that progress on trade can be made in the 110th Congress. We will work to modernize CFIUS (Committee on Foreign Investments in the United States) rules governing foreign investments and acquisitions in the United States, keeping the welcome mat out while protecting national security.

If a good Doha Development agreement is reached among the 150 member countries of the World Trade Organization, we will work with pro-trade members of both parties to gather the necessary votes for approval.

We will push for approval of additional free trade agreements now in the negotiating pipeline as well as long-term or temporary extension of presidential Trade Promotion Authority.

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Small business relief

With members of Congress of both parties proclaiming their support for small business, the Chamber will seek permanent extension of expensing allowances (Section 179) and death tax reform. We will support legislation that would allow small businesses to be reimbursed for attorneys' fees when successfully challenging government's regulatory actions in court, and a Small Business Administration reauthorization bill that would support strong and stable SBA 7(a) and 504 lending programs.

> The Chamber will seek permanent extension of expensing allowances (Section 179) and death tax reform.

Lawsuit abuse and insurance

As part of our broader legal reform program, the Chamber will work with Congress to find a comprehensive legislative solution to the problem of mass tort litigation. We will also seek renewal of the federal terrorism risk insurance backstop so that companies, municipalities, and public facilities can find affordable coverage during the war on terror.

Due process rights and capital markets regulation

While supporting tough laws to root out fraud in business and other institutions, the Chamber will tap the strong bipartisan consensus in Congress for upholding due process rights and ending the practice of forcing waivers of attorney-client privilege during prosecutions and sentencings. As needed, we will seek congressional support for reducing unnecessary compliance costs under Securities and Exchange Commission (SEC) regulations and accounting rules.

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Transportation and telecommunications

The Chamber is poised to take a lead role in the Federal Aviation Administration reauthorization this year. We will call on Congress to pass the Water Resources Development Act (WRDA) and work to ensure that the funding commitments made in the nation's core surface transportation program (SAFETEA-LU) are kept.

The Chamber is poised to take a lead role in the Federal Aviation Administration reauthorization this year.

We will also advocate updated federal telecommunications laws and seek the elimination of federal policies that hinder investment in technology, while opposing net neutrality legislation. The Chamber will also back meaningful data security legislation that includes a unified national breach notification standard.

Challenging Anti-Business Proposals

While advancing a proactive legislative agenda, the Chamber is also prepared to vigorously oppose measures that we believe would damage our economy and hurt companies and workers alike. These measures could include the following:

- Union-backed efforts requiring workers to decide whether to recognize a union in front of organizers rather than through secret ballot elections; imposing binding contract arbitration; raising the minimum wage; lifting caps on damages and increasing criminal penalties; expanding the Family and Medical Leave Act; and mandating paid leave.

- Protectionist "Buy America" provisions in government procurement and measures designed to punish and restrict companies that choose to source and invest around the world in order to survive and compete globally.

- Punitive tax measures and other changes in laws that would hurt key industries and undercut investment, research, innovation, and the development of new products and resources.

- Environmental and climate change rules that are not based on sound science, good data, or where the costs outweigh the benefits to American workers and our society.

- Homeland security and border control measures that fail to strike a commonsense balance between safety, mobility, and global commerce—such as inspection of all 11 million–12 million cargo containers entering the United States each year before we have the technologies and systems in place to handle this undertaking.

- Overregulation of retirement plan design and policies that would eliminate employer flexibility in providing retirement benefits and managing the workforce.

We will work to persuade a majority of pro-growth, pro-business members of Congress in both parties to do the right thing in turning back these often well-intentioned but damaging ideas.

Advancing Competitive Reforms

While pursuing timely legislative priorities and defending business from unfair attacks, the Chamber will also work for broad reforms across government, business, and society. These reforms are critical to our nation's ability to compete, create jobs, and prosper in the years ahead. In 2007, the Chamber will organize people, programs, and resources around the following new and ongoing initiatives:

Legal Reform

America's litigation system is the world's most expensive, costing the average family more than $3,500 per year. The Chamber's Institute

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for Legal Reform (ILR) and National Chamber Litigation Center (NCLC) are determined to change this.

America's litigation system is the world's most expensive, costing the average family more than $3,500 per year.

There has been substantial progress. We worked successfully with the 109th Congress to pass the Class Action Fairness Act, which reduces venue shopping and frivolous cases by moving many state class actions to federal courts.

Reforms have also been enacted in states such as Florida, Georgia, Mississippi, Missouri, Ohio, Texas, and West Virginia—spurred by the Chamber's intensive lobbying. ILR's educational efforts in the states during key state Supreme Court and attorney general elections have contributed to changes in the composition of the courts and an improved legal climate in a number of states.

In 2007, this legal reform agenda will be expanded in a variety of areas:

Securities class action litigation—We are leading a comprehensive examination of securities class action lawsuits, both the economics of the system and the rules for litigating cases, with a long-term goal of reducing this significant burden on American competitiveness.

Fraudulent and abusive practices—ILR will promote legislation to end the most egregious tactics used by the plaintiffs' bar to exert unfair leverage on businesses, including medical screenings designed solely to generate mass tort claimants and abusive discovery "fishing expeditions."

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The Chamber will continue to spotlight the actions of some state attorneys general who seek changes in public policy through litigation.

Voter education—ILR will conduct voter education efforts in important off-year elections for state Supreme Court judges and attorneys general.

State legal reform—We will support legislative efforts to further improve the legal climate in Mississippi and West Virginia; work for improvements in other problem states such as California, Illinois, Louisiana, Texas, and Wisconsin; and protect past legislative gains in Georgia, Missouri, and Ohio.

State attorneys general—The Chamber will gather data and publish information on the offices of the state attorneys general for fairness and ethical conduct. We will spotlight the actions of some state attorneys general who retain contingent-fee plaintiffs' lawyers, often using secret no-bid contracts to seek changes in public policy through litigation that would be better resolved in the legislative or regulatory arenas.

Asbestos—We will continue to work toward a comprehensive legislative solution to the problem of asbestos-related litigation.

Global forum shopping—We will vigorously develop international coalitions to halt global forum shopping and prevent the export of the U.S. tort system.

National Chamber Litigation Center—Since its inception in 1977, the National Chamber Litigation Center (NCLC), our public interest law firm, has participated in more than 1,000 cases as the voice of business in the courts and regulatory agencies.

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In 2006, our Litigation Center filed a record 102 new cases and helped obtain a record 45 victories, with many of the remaining cases still pending.

In 2007, NCLC will expand its role as the go-to place for advocating the business point of view in the courts on issues of national significance to the business community, including abusive class actions, excessive punitive damages, regulatory overreach, securities litigation, and unfair state competition laws—particularly in California and other problem states.

In 2006, NCLC filed a record 102 new cases and helped obtain a record 45 victories, with many of the remaining cases still pending.

Education and Workforce Initiative

The United States is home to many dedicated teachers, superior public and private schools, and the best system of colleges and universities in the world. Yet, on the whole, we are woefully failing to equip our young people and our workforce with the skills they need to succeed personally and support a competitive economy.

The danger signs are everywhere.

Our K–12 public education system has not been updated in at least 100 years. Thirty percent or more of our students don't graduate from high school. Many of those who do graduate are not prepared for college or the workplace.

At least 40% of our students enrolling in college have to take one or more remedial courses when they get there—at a cost of more than $1 billion annually. We beat most countries when it comes to college

USCC 55837

enrollment, but we fall into the bottom half of developed countries when it comes to college completion. And the business community spends billions teaching new hires basic skills.

America is producing 140,000 graduates per year in engineering compared with 350,000 in Asia.

America is producing 140,000 graduates in engineering compared with 350,000 in Asia. Falling short to such a degree hinders American innovation and puts the United States at a competitive disadvantage, particularly in some technology and defense sectors, where key employees must be U.S. citizens.

With 77 million baby boomers already starting to retire and with today's jobs requiring an increasing level of education and training, we will be committing national economic suicide if we fail to improve our schools and our commitment to lifelong training. Above all else, the worldwide competition in which we will be engaged throughout the 21st century will be a global race for talent and workers.

The Chamber intends to lead the business community response to this growing crisis.

In 2006, we reorganized and expanded our institutional assets focused on educating and training a superior workforce by combining two existing programs to form the Institute for a Competitive Workforce (ICW).

ICW is working closely with the Chamber's government affairs and lobbying shops and our member-based Education, Employment, and Training Committee to reauthorize and strengthen the No Child Left Behind Act, the Higher Education Act, and the Workforce Investment Act and to enact the American Competitiveness Initiative.

USCC 55838

In February 2007, the Chamber will issue a report card on school performance state by state. States' school systems will be graded A through F on such factors as academic achievement, rigor of academic standards, postsecondary workforce readiness, and return on investment. The report card will be accompanied by a reform agenda.

In February 2007, the Chamber will issue a report card on school performance state by state.

For many years, the Chamber weighed in on national education policy while leaving the principal responsibility for K–12 educational improvements to the states and localities. Not anymore. This is a matter of critical national urgency. What's at stake is the continued success and competitiveness of the American economy—and the continued viability and credibility of the American dream.

Energy Security and Global Warming

Energy is the single most important resource underpinning America's economy, national security, global competitiveness, and our way of life. We must not allow complacency, ignorance, contradiction, and politics to shape energy policy. Yet that is what we have witnessed for too many years.

There is an urgent need for both greater public understanding about our energy needs and choices and an honest, fact-based dialogue to drive sound policymaking. To accomplish this critical mission, we are announcing the creation of a new organization in the Chamber—the Institute for Energy Security, Jobs, and Competitiveness.

This new group will lead a comprehensive strategy of education, communications, lobbying, legal advocacy, and grassroots action to foster commonsense energy and environmental policies nationally, globally, and in the states.

USCC 55839

> Energy is the single most important resource underpinning America's economy, national security, global competitiveness, and our way of life.

We also recognize that energy policy is intertwined with issues of climate change and environmental quality. The Chamber believes that our nation should work at home and in the global arena to reduce carbon emissions that are thought to contribute to global warming. America's greatest contribution to this important and necessary mission is to develop and apply technological solutions that strengthen environmental protections without sacrificing jobs, prosperity, or a good quality of life.

Providing fuel and power to 300 million Americans safely and affordably in a growing economy is a massive undertaking. We must not trifle with our energy future by embracing sound-bite solutions that are simple, easy, and wrong. There is hard work to be done and there are tough choices to be made. We must allow America's best companies, experts, and inventors the freedom, flexibility, and tools they need to develop more energy from all sources at home and abroad.

The Chamber and our new Institute will support a diverse job-creating energy program that expands domestic production of oil, gas, coal, and nuclear power; strengthens refinery capacity and our energy infrastructure; develops viable alternatives and new technologies; and improves efficiency.

Defense of Global Trade and Engagement

America has the most open economy and society in the world. Our nation has benefited greatly from global engagement.

USCC 55840

Total trade is now equivalent to 27% of the nation's gross domestic product. Our exports alone directly support 12 million good-paying jobs and indirectly support millions of additional jobs. Recent tariff reductions have increased the typical U.S. family's purchasing power by $1,300 to $2,000 per year.

Our nation has benefited greatly from global engagement.

Foreign companies directly employ 5.1 million Americans and millions more indirectly. Global capital helps finance our deficit and contributes to affordable interest rates and home mortgages.

Immigrants now supply up to 22% of our workforce in highly skilled occupations like medicine, engineering, the physical sciences, and computers and mathematics. Foreign-born workers also hold 25% of the jobs in construction, 33% in building cleaning and maintenance, and 44% in agriculture.

Fifty million legal visitors enter our country each year, spending an estimated $100 billion in our critical travel and tourism sector. More than 500,000 foreign students and the world's leading researchers, scientists, and professors attend or are employed by our universities.

Despite these facts, global engagement is under attack. Business must aggressively respond to these attacks and work for the positive reforms Americans need to win and prosper in the worldwide economy.

In the coming year, the Chamber plans a major expansion of our programs, strategies, and staff dedicated to building support for policies that create and sustain American jobs by opening markets at home and abroad. We will conduct opinion research, develop educational materials geared to states and localities, and recruit a cadre of trade supporters among small businesses, chambers, and consumers.

USCC 55841

The Chamber will advance a comprehensive program abroad to open markets and level the playing field in key economies.

As we engage in this important task at home, the Chamber's International Division will advance a comprehensive program abroad to open markets and level the playing field in key economies from China to the European Union (EU). Specifically, our International team will work on the following:

- Press for high-standard free trade agreements with Colombia, Korea, Malaysia, and Peru while ensuring that our current free trade agreements are duly enforced.
- At the World Trade Organization, push for an ambitious global trade deal and for Russia's accession.
- Oppose barriers to international business that needlessly curtail global sourcing, international investment, and U.S. exports of widely available technology products.
- Lay the foundations for market-oriented reform and private enterprise in emerging markets through the Center for International Private Enterprise.

Strengthening U.S. Capital Markets and Addressing the Impact of Sarbanes-Oxley

U.S. capital markets have been the most powerful engine of wealth creation in world history. They provide the seed corn for new businesses and innovations, allow the nation's 57 million investors to build secure retirement savings, and enable companies to expand and create jobs.

USCC 55842

In recent years, we haven't been very good stewards of our capital markets system, and we risk losing our edge. Foreign markets are becoming deeper, quicker, and more attractive to investors. At the same time, we are falling backward in terms of modern regulation, technology, and a fair legal environment. Our capital markets are governed by laws enacted in the 1930s—a patchwork of federal and state rules enforced by numerous agencies that often have overlapping and conflicting jurisdictions.

In recent years, we haven't been very good stewards of our capital markets system, and we risk losing our edge.

The Chamber's goal is to ensure that our nation has the fairest, most efficient, transparent, and attractive capital markets in the world.

A bipartisan Commission on the Regulation of U.S. Capital Markets in the 21st Century was established by the Chamber to examine these issues, and in March 2007 will make specific recommendations in four major areas:

- The global marketplace—and the international competitiveness of our capital markets.
- Improving opportunities for—and protection of—individual investors.
- Reforming the regulation of the financial services industry.
- Addressing the challenges faced by issuers and auditors.

With the commission's final report as a catalyst, we will appeal to the Securities and Exchange Commission (SEC) and other market regulators, as well as Congress and the states, to strike the appropriate

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balance between protecting investors' rights and ensuring an efficient system that produces more wealth and greater returns for *all* investors.

The commission's work is a crucial component of our broader capital markets initiative, which has included challenging certain SEC policies, pushing back on the unintended excesses of Sarbanes-Oxley, exposing the hidden agendas of some shareholder activists, and addressing the challenges facing the accounting profession and its clients. The SEC has recently taken some positive steps at our urging.

We will continue to work with the U.S. Department of Justice, the SEC, and Congress to complete major revisions of the Thompson Memorandum, under which companies being investigated are essentially forced to waive their right to attorney-client privilege to avoid being deemed uncooperative. Thanks to a broad-based coalition, including the Chamber, substantial progress has been made.

Addressing Global Regulatory Divergence

While there has been an intense focus on the flow of trade and the movement of people across borders, comparatively little attention has been paid to the extraordinary exchange of job-creating capital and investments between nations.

The Chamber sees a compelling need to reduce and prevent regulatory divergence.

The transatlantic marketplace offers the best illustration of how beneficial the free flow of capital can be to workers, business, and society. Investment between the United States and Europe dwarfs trade in goods and services. These mutual investments create a combined 14 million jobs. The affiliates of U.S. companies operating in Europe earn more than $100 billion per year, which creates jobs and shareholder value back home.

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Yet businesses operating in this and other major markets face different sets of laws, regulations, and standards. Companies must work around these differences to remain competitive and successful. In some cases, what are purported to be philosophical differences in regulatory approaches are, in fact, thinly disguised efforts to deny competitors fair and equal access to markets.

The Chamber sees a compelling need to reduce existing, and prevent future, regulatory divergence. We are initiating a targeted program to spur regulatory cooperation among the world's largest economies and to fight nontariff trade barriers at home and abroad.

Our program of work will include discussions with major economic players including Europe, China, India, Japan, Brazil, and Korea. The Chamber's initiative would also target regulations in the United States and abroad that, intentionally or unintentionally, favor domestic participants and squeeze out foreign competitors. We will fight the rise of economic nationalism as manifested by the increasing number of investment restrictions and hurdles under consideration in our country as well as in both developing and developed economies.

We will fight the rise of economic nationalism and the increasing number of investment restrictions.

Fighting Counterfeiting, Piracy, and IP Theft

Counterfeiting and piracy cost the U.S. economy between $200 billion and $250 billion per year and a total of 750,000 American jobs. With more than 20 staff dedicated to the issue and a 228 member Coalition Against Counterfeiting and Piracy (CACP), the Chamber is leading an aggressive effort to fight this growing threat.

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We will expand the scope and intensity of this multimillion-dollar program in the coming year through a three-part strategy of education, detection, and enforcement. Our objectives include the following:

Conduct Research—The Chamber will conduct research both in the United States and abroad to measure the scope of the problem. Research includes a U.S. consumer study in targeted congressional districts, a study in India to measure the effects of piracy on Bollywood, a study on the overall impact of piracy on the copyright industry, and an expansion of our successful Brazil study to other countries in the Western Hemisphere.

Educate Congress, Businesses, Consumers, and the Media—In 2007, we will continue our education programs with IP weeks, educational road shows in targeted congressional districts, and Capitol Hill outreach. In addition to our annual summit in Washington, the Chamber will hold a global summit in Beijing, China, on intellectual property and innovation.

Build Coalitions—Our goal for 2007 is to double the size of our coalition. Internationally, the Chamber will expand the reach of the China IPR Working Group, continue to work with U.S. and EU government officials, build on the Security and Prosperity Partnership with Mexico and Canada, and expand programs with the Brazilian National Anti-Piracy Council.

The Chamber is partnering with Interpol on a global IP database and global enforcement efforts.

Toughen Laws—We will work to set the global standard and push for passage of a comprehensive enforcement package at the state and federal levels and increased resources for U.S. law enforcement. We will expand our investigations

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programs to three cities in 2007. Finally, the Chamber is partnering with Interpol on a global IP database and global enforcement efforts.

Train Law Enforcement Officials—In an effort to increase domestic prosecutions of IP criminals, we will work to educate prosecutors and the judiciary on the effects of counterfeiting and piracy. Abroad, the Chamber will conduct China criminal case transfer seminars and a criminal code initiative, Western Hemisphere customs training programs, Southeast Asia IP training conferences, Indian IP law training programs, and expanded efforts in Chinese provinces.

Patent Reform—Patent reform is critical to the nation's continued global leadership in invention, innovation, and research. The Chamber will organize and lead a coalition of interests to build a consensus approach to patent reform that addresses the concerns of all industry sectors.

Rebuilding America Initiative

Business needs to get back to the basics. Along with reliable and affordable energy, open markets, and a well-educated workforce, this must include a superior infrastructure.

America's transportation system, once a marvel of the modern world, is being stretched beyond its capacity and is falling into disrepair. Economic growth and prosperity cannot be sustained on our existing transportation platform.

Economic growth and prosperity cannot be sustained on our existing transportation platform.

Nationwide, the decaying surface transportation system costs our economy $63 billion annually in lost time and fuel. Congestion adds significant pollution to our air, and substandard roads claim thousands of lives every year.

In 2007, the Chamber will launch Rebuilding America: An Infrastructure Capacity Initiative that will define, quantify, and illustrate both the magnitude and urgency of the problem as well as the benefits the nation can realize if we substantially boost infrastructure investment.

We will organize a high-level coalition of senior executives of major transportation users and begin a comprehensive education and communications program to convince the public and policymakers about the potentially crippling impact should America fail to act.

The Chamber and our partners will seek to invest in and grow our surface transportation systems and the capacity of our waterways, ports, aviation systems, and telecommunications networks. To galvanize attention and support, we will rate state and local infrastructure systems, explore a range of innovative funding and building strategies, and enlist broad-based community and labor backing for our efforts.

The Chamber in 2006—Growth and Accomplishments

Strengthening the Chamber and Securing Its Future

In 2006, the U.S. Chamber of Commerce continued to expand its membership base of large companies, small businesses, and business associations. More than 250,000 small businesses across the country have recently been added to our membership rolls through a new Federation Partnership.

USCC 55848

Financially, the Chamber is growing as well—with revenues continuing to increase at a double-digit pace. Together with the Institute for Legal Reform, the Chamber ranked as the top lobbying spender in Washington in 2005 and again in the first half of 2006. A successful capital campaign has already raised tens of millions of additional dollars to underpin the most important projects of this institution, as well as its physical infrastructure and resources, for years to come.

Together with the Institute for Legal Reform, the Chamber ranked as the top lobbying spender in 2005 and again in the first half of 2006.

In 2006, Chamber headquarters hosted thousands of events and meetings, welcoming hundreds of politicians and policymakers and dozens of heads of state and senior ministers to our building. We also opened a new Capitol Hill facility, which represents another expansion of our profile and influence.

In addition to expanding this physical presence, the Chamber is continually adding key personnel: the best lobbyists, lawyers, international specialists, and communications experts in both full-time capacities and as Chamber fellows. In December 2006, a Harris Interactive® poll ranked the U.S. Chamber among the top four most trusted and recognized organizations in and around the nation's capital.

Our expanded Communications Division organized dozens of press conferences and briefings, both in Washington and around the country, to support the Chamber's policy initiatives and political program.

USCC 55849

Winning for Business in Congress

Working with many organizations, companies, coalitions, and legislators, the Chamber helped win passage of major business legislation in the 109th Congress, including the following:

The Class Action Fairness Act—Moves many class actions to federal courts from state courts, where the potential for abuse is greater, and discourages frivolous litigation.

Energy Legislation—Increases energy efficiency and conservation, expands domestic production, and encourages investment in infrastructure and new energy technologies.

Bankruptcy Reform—Restores fairness to the bankruptcy system by making it harder for upper-income filers to walk away from their debts.

The Stop Counterfeiting in Manufactured Goods Act—Strengthens laws against counterfeit labels and packaging and closes loopholes that have allowed counterfeiters to avoid prosecution.

U.S.-Dominican Republic-Central America Free Trade Agreement (DR-CAFTA)—Opens important markets to U.S. products while strengthening the prospects for economic progress and democracy in the Americas.

Tax Relief Reconciliation Legislation—Extends several important tax measures, such as dividend and capital gains tax relief, enhanced Section 179 small business asset expensing, alternative minimum tax relief, and exceptions to allow U.S.-based multinational businesses to better compete internationally.

Pension Bill—Provides certainty in pension funding rules and helps businesses make long-term decisions concerning their retirement plans; offers a permanent interest rate assumption replacement;

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implements vital reforms to the multiemployer funding rules; makes permanent retirement savings provisions due to expire in 2010; and provides some legal certainty for cash balance and hybrid plans.

Transportation Bill—Provides a record $286.5 billion in funding over five years for the nation's core surface transportation program.

Terrorism Risk Insurance Act (TRIA) Extension—Extends the terrorism insurance backstop for two years.

Junk Fax Prevention Act—Restores an established business relationship exception to the general rule against sending unsolicited advertising faxes and eliminates costly paperwork burdens on small businesses.

U.S.-Bahrain and U.S.-Oman Free Trade Agreements—Establishes a free trade foothold in a region that is critical to U.S. and global security.

Permanent Normal Trade Relations With Vietnam—Ensures that U.S. companies can benefit from the market-opening measures that this fast-growing market agreed to as the newest member of the World Trade Organization.

The U.S.-India Civilian Nuclear Cooperation Agreement—Opens extraordinary new commercial opportunities for U.S. companies and workers in the energy, technology, and construction sectors in the world's second most populous nation.

Expanding Offshore Energy Exploration and Development—For the first time in a generation, Congress is on record supporting a partial unlocking of the tremendous energy resources that exist off American shores.

USCC 55851

Renewing Expiring Tax Relief—Continues important business tax incentives such as the Research & Experimentation, Work Opportunity, and Welfare-to-Work tax credits.

Winning for Business in the Courts

The Chamber's law firm, the National Chamber Litigation Center (NCLC), continues to save companies hundreds of millions of dollars through its aggressive litigation program of filing amicus briefs and direct party challenges. In 2006, NCLC entered a record 102 new cases of significance to the business community and has secured 45 victories, with many more cases still outstanding.

Advancing Critical Business Initiatives

Many of the Chamber's broader initiatives—and accomplishments—cannot be defined in legislative terms alone.

In 2006, under the leadership of the **National Chamber Foundation** (NCF), we significantly expanded the activities of our global program to fight intellectual property theft, counterfeiting, and piracy and our initiative to strengthen U.S. capital markets. In addition to conducting more than 50 public events and many smaller gatherings to focus on key public policy issues, NCF recently developed a new capacity to identify, research, and develop policy options on emerging and future issues facing business and society.

Our Homeland Security Program works directly with companies and government agencies daily to strike the proper balance between security and the needs of commerce and has solved many potentially serious problems for our members.

TradeRoots, our grassroots program dedicated to building community and small business support for trade, conducted dozens

USCC 55852

of hands-on programs across the country and in emerging foreign markets such as Turkey and Central America.

The Business Civic Leadership Center (BCLC) galvanizes the business community's voluntary philanthropy and empowerment programs, helping people and communities in distress and showing the true face of American business to the world.

The newly formed **Institute for a Competitive Workforce** (ICW) is now developing a major assessment of public education in the United States along with an agenda for change and reform.

The Institute for Legal Reform (ILR) is working at all levels of government, in the courts, and in the court of public opinion to challenge lawsuit abuse.

The **International Division**, made up of more than 65 trade and international experts covering all trading regions of the world, continued expanding its expertise, effectiveness, and network of affiliates and partner organizations across the globe. The division also manages a number of bilateral business councils and task forces, maintains close relations with more than 100 American Chambers abroad, and helps Chamber members advance their commercial interests overseas.

The **Center for International Private Enterprise** (CIPE) is a critical component of the Chamber's international program, working in dozens of emerging markets to build private sector capacity, fight corruption, train the economic leaders of the future, and instill good governance practices across public and private sector institutions.

The **Federation Relations Team** continues to expand and strengthen our business network through the Federation Partnership Program, as well as the Association Committee of 100 and the Chamber of Commerce Committee of 100, our main association and chamber of commerce committees.

USCC 55853

About the U.S. Chamber of Commerce

The U.S. Chamber of Commerce is the world's largest business federation. Our federation includes the following:

- 3 million businesses
- Thousands of state and local chambers of commerce
- Hundreds of business associations
- 104 American Chambers of Commerce in 91 countries

Members include businesses of all sizes, sectors, and regions. Many of the nation's largest companies are active Chamber members, and more than 96% of our members are small businesses with 100 employees or fewer.

Chamber headquarters is located directly across Lafayette Park from the White House, with an additional facility on Capitol Hill. We maintain a professional staff of more than 500 policy experts, lobbyists, lawyers, and communicators.

We have eight regional offices around the country, offices in New York and Brussels, and on-the-ground presence in China, and a network of grassroots business activists.

The Chamber's core mission is to fight for business and free enterprise before Congress, the White House, regulatory agencies, the courts, the court of public opinion, and governments around the world.

To learn more, visit us at *uschamber.com.*

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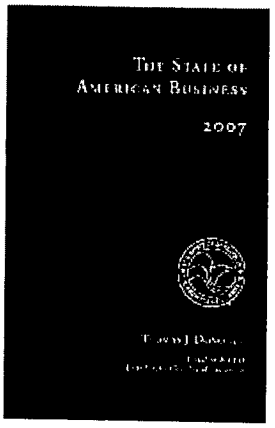

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A Special Message From the U.S. Chamber of Commerce

The state of American business is fundamentally strong. Whether business remains strong will depend on the decisions and actions of the government and private sector leaders who drive the world's most successful economy.

Our economy faces changes and challenges we have never seen before. It would be a serious mistake to take current growth for granted and wait until the problems we can identify today become crises tomorrow.

We must act now to reform and modernize the policies and practices that drive some jobs, capital, and companies out of our country.

We must commit ourselves today to equipping our young people with the education and training they need to succeed in a competitive worldwide economy.

We can no longer afford to ignore urgently needed improvements in our infrastructure or the compelling need to expand energy from all sources.

And with 77 million baby boomers starting to retire, we must squarely confront the realities of changing demographics— welcoming law-abiding immigrants, competing for global talent, opening markets at home and abroad, and securing our health care, pension, and entitlement systems.

In 2007, the U.S. Chamber of Commerce will appeal to governments at all levels, elected offi cials across the political spectrum, companies and chambers of all sizes, and institutions across society to join us in advancing a clear mission— to build a more competitive economy that creates jobs, opportunities, and economic security for all Americans.

We understand that the political and legislative environment in Washington has changed. This may alter our tactics and, in some respects, our expectations, but not the ambition of our goals.

...Read more in the full report (PDF)

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The Chamber of Commerce of the United States of America v. United States Hispanic Chamber of Commerce Foundation
Opposition Number 91/156,321

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Advancing human progress through an economic, political and social system based on individual freedom, incentive, initiative, opportunity, and responsibility.

EXHIBIT 5

The 2000 Employee Benefits Study

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The 2000 Employee Benefits Study

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2000 Employee Benefits Study

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INTRODUCTION

The U.S. Chamber of Commerce Statistics and Research Center is pleased to present the 37th edition of its employee benefits study, the *2000 Employee Benefits Study.* This report details the benefits that U.S. employers provide to employees in addition to wages. As the world's largest business federation representing nearly three million companies, the U.S. Chamber of Commerce is the leading advocate for free enterprise and the business community. In support of that mission, the U.S. Chamber's Statistics and Research Center regularly collects, analyzes, and distributes statistics that characterize the scope and significance of the U.S. business community.

The *2000 Employee Benefits Study* is designed to provide accurate and authoritative information on the actual value of benefits provided by employers to employees. The *Study* is useful for a wide range of practical and academic applications. For example, recruitment specialists will find the *Study* to be an invaluable reference tool for assessing the competitiveness of a total compensation package *vis-à-vis* the employment marketplace as a whole. Business owners and executives can use the *Study* to identify the strengths and potential areas for improvement of their company's total compensation packages. Academics will find the *2000 Study* to be an authoritative resource for documenting the benefits provided to employees in addition to wages.

The U.S. Chamber of Commerce Statistics and Research Center is committed to supporting the information needs of the business community through the *Employee Benefits Study.* Additional supplementary analysis of the *Study* data is planned; for details, please visit our website at http://www.uschamber.com/Research+and+Statistics/Publications/Employee+Benefits+Study.htm. If you have suggestions for additional analysis topics or *Study* improvements, please e-mail the Statistics and Research Staff at statinfo@uschamber.com.

The 532 firms that participated in this study represent a cross-section of U.S. businesses in terms of industries, geography, and size. To these companies, and most especially the individuals who took the time to gather the necessary details and complete the survey, we extend our thanks for their assistance. It is through the willingness of these firms to share their experiences that we are better able to understand the important role of employee benefits in the free enterprise system.

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USING THE STUDY TO EVALUATE YOUR BENEFITS PLAN

Attracting and retaining quality employees is one of the greatest challenges in business today. Employees are increasingly aware of the benefits they receive — and how those benefits compare to what other companies are offering. The U.S. Chamber of Commerce *Employee Benefits Study* provides a wide array of facts to help you to see how your company's benefit plan compares to those of other businesses. This section provides an overview of the information included in the *Study* as well as guidelines for using the *Study* to conduct a comparative assessment of your benefit plan.

✓ **Identify the Study categories that best define your company.** The *Study* presents information for U.S. companies in general (typically referred to as "total, all companies"), by employee size, industry, and geographic location. In order to gain the best picture of how your company measures up, determine which *Study* categories best fit your firm. You may also want to compare your figures to the categories that best fit the companies with whom you compete for employees.

✓ **Review the Methodological Notes and Key Definitions.**

✓ **Compare the benefits that you offer to what other companies provide.** An overview of the percentage of firms offering benefits to full-time and part-time employees is presented on page 10. In addition, more in-depth investigation of paid time off, medical, and retirement & savings plan benefit offerings are presented in on pages 30, 32, and 39, respectively.

✓ **Complete the copy of the survey instrument and calculate your total benefits costs.** Easy-to-follow instructions are presented on page 43.

✓ **Utilize the appropriate average cost charts to compare the total cost of your employee benefit program.** The comparison of your total benefits cost is often the best indicator as to whether your benefits package is competitively funded *vis-a-vis* other companies. Be sure to reference Table 2 to determine the ranking of your total benefit package cost. You may also want to read the discussion of benefit costs presented the Highlight section on page 9.

✓ **Use the appropriate average cost charts to compare your subtotal costs for each benefit category.** In general, the benefit category totals (which are presented in colored text in the charts) are more accurate comparison figures because the specific benefit items offered in each category may vary from company to company.

✓ **Benchmark your actual line item costs for specific medical or retirement benefits.** If you would like to compare your actual benefit line item costs (e.g., HMO premiums) to the average payment by survey participants for the same item, calculate your line item cost as a percentage of payroll by following the instructions for calculating the percent of payroll spent on benefits substituting the specific line item cost for your Total Employer Benefit Payments. Benchmarking figures for medical items are provided on page 36; figures for retirement plans are on page 40.

Once you have completed your benefits package review, if you have determined your total benefit costs to be comparative to companies similar to you yet there are still concerns that your benefits package is not competitive, you may want to conduct more direct research among your employees to determine their views of your benefits package. It may also be a good idea to contact alternate benefit providers to ensure that you are receiving the best value for your benefit costs.

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METHODOLOGICAL NOTE

The *2000 Employee Benefits Study* is an analysis of the actual employee benefit practices of 532 U.S. employers in 1999. These companies, which include both Chamber members and non-members who voluntarily participated in the *Study*, collectively employ approximately 495,372 full-time equivalent workers. These firms comprise a cross-section of all U.S. employers in terms of number of employees, type of industry, and size of payroll.

Survey Participants by Number of Employees

Number of Employees	Number of Companies	Percent of Participating Companies
1–9	17	3.2%
10–49	50	9.4%
50–99	41	7.7%
100–499	305	57.3%
500–999	39	7.3%
1000–2499	36	6.8%
2500–4999	19	3.6%
5000 plus	20	3.8%
Not identified	5	0.9%

The survey sample for the *2000 Employee Benefits Study* has a different demographic composition than previous editions of the *Study* — a composition which we believe creates a report that is more useful as a benchmarking tool for small and mid-size employer firms. In addition, the demographics of participating companies have varied within industry groupings (i.e., manufacturing versus non-manufacturing companies). Due to the changes in sample composition as well as changes in survey design, caution is recommended when attempting to draw conclusions from year-to-year comparison of *Study* findings.

Variance in Sample Size Between Analytical Charts

The *2000 Employee Benefits Study* survey asked respondents to provide several demographic descriptors about their company (e.g., number of employees) and its benefit practices (e.g., type of benefit plan) as well as cost figures for providing employee benefits. In some cases, respondents did not answer all descriptor questions or did not provide cost figures. While all 532 responses have been used in the analysis, the sample size for particular analytical charts will vary based on the number of respondents providing adequate information to be included in that aspect of the analysis. The specific number of respondents used for each dataset is clearly indicated at the top of each data column.

Changes in Survey Design

The *2000 Employee Benefits Study*, while building on the success of the past benefit surveys, incorporates several key modifications that reflect changes in the business community as well as in benefit practices. An overview of these changes is presented in the following section. As previously mentioned, due to these changes as well as the changes in sample composition, caution is recommended when attempting to draw conclusions from year-to-year comparison of *Study* findings.

Overview of Changes to 2000 Study

The U.S. Chamber of Commerce's *Employee Benefits Study*, first conducted over half a century ago, is relied upon by businesses, economists, and the government as an invaluable resource for benchmarking the cost of employee benefit programs. The U.S. Chamber of Commerce strives to present information that will help the business community to grow and prosper. In order to make this year's *Study* as relevant as possible, several modifications have been incorporated to reflect the real world changes in benefit practices and the composition of the business community. Where possible, the core of the study has been kept intact to maintain consistency with past editions of the *Study*.

Industry Categories

In 1997, the U.S. Office of Management and Budget (OMB) adopted a new industry classification system for types of businesses, the North American Industry Classification System (NAICS). In changing the industry classification system, OMB hoped to better categorize business statistics, especially new, growing, and economically significant industries such as Computer and

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Electronic Manufacturing. The industry categories used by the Employee Benefits Study have been modified to reflect the NAICS. More information on the NAICS is available from the U.S. Census Bureau on the Internet at http://www.census.gov/epcd/www/naics.html.

Deletions

✓ Due to the rising number of respondent companies that were unable to provide benefit cost breakdowns for hourly and salaried employees, benefit costs are collected only as total company payment, encompassing payments for both salaried and hourly employees. However, additional questions have been added to measure the difference in benefit offerings between full-time and part-time employees.

Additions

✓ In order to provide a better picture of the variety of companies participating in the *Study*, respondents were asked to provide permission for inclusion of their company name in a list of participants. The list of these respondents is provided on the Internet at http://www.uschamber.com/Research+and+Statistics/Publications/Employee+Benefits+Study.htm.

✓ Respondents were asked to identify the multi-state geographic region in which the majority of their employees work. Based on those responses, results by geographic area are presented in several areas in the *Study*.

✓ In order to provide a benchmark of the difference in the cost of providing benefits in metropolitan areas versus non-metropolitan areas, respondents were asked if a majority of their employees work in a metropolitan area. Results for companies located in metropolitan areas are presented in several areas in the *Study*.

✓ Several questions were added to the survey to gather data on benefit practice topics that were not previously addressed by the *Study*. New topics include:

- Benefit package type (e.g., fixed benefit plan)
- Paid time off account (i.e., allotment of days provided by employer to be used at the employee's discretion for paid time off regardless of reason)
- Criteria used to determine length of paid vacation\number of paid days off
- Medical savings accounts
- Chiropractic care
- Alternative forms of medical care (e.g., homeopathy)
- Long-term care insurance
- Health plan administration
- Cash balance and hybrid type retirement plans
- Percent of employees participating in 401(k) type plans
- Flexible spending accounts for child care and transportation
- Flexible work schedules

Other Notes

✓ There is wide variation in the specifics of medical plan coverage and the various ways that companies reported medical benefit costs. As a result of the number of firms reporting additional medical costs as part of major medical insurance costs, the figures reported for major medical insurance may be slightly over-reported while costs for other medical benefits may be underrepresented in this analysis. Benefit costs for other medical expenses were reported as part of hospital, surgical, medical, and major medical plan costs by respondents as follows: Prescription drug coverage (75%); Dental insurance (38%); Vision care (33%); and Retiree health insurance (17%). As a result, we recommend using the total medical benefit costs to assess how your company's total medical benefits package measure up to other companies like yours.

✓ As the survey is based on the actual 1999 expenditures of participating companies, average benefit costs may be affected by circumstances particular to occurrences during that year (e.g., sell-off of company divisions, lower pension plan contributions due to stock market performance). For example, several participating firms in the public utility industry reported noticeably high benefit costs due to such one-time occurrences. Readers are advised to consider this factor when utilizing the figures presented for the public utility industry.

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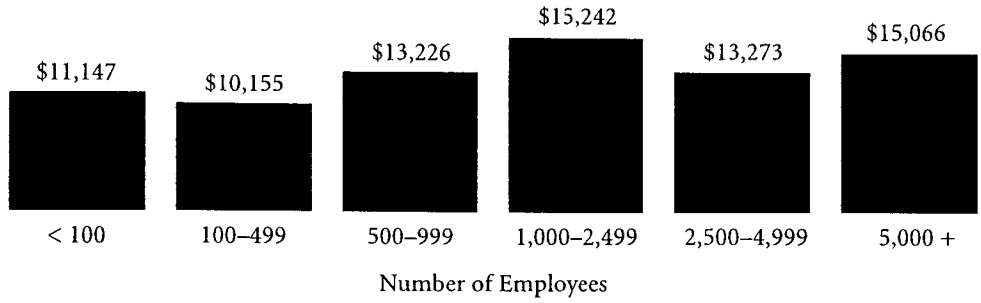
HIGHLIGHTS OF FINDINGS

- ✓ Employees at participating companies received an average of $14,060 worth of employee benefits in addition to wages in 1999.
- ✓ The cost of benefits averaged 36.8% of payroll among participating companies. However, benefits varied significantly between companies. For example, one in ten participating companies paid more than 44% of payroll in benefits while an equal amount paid less than 19.3%.
- ✓ Over 95% of participating companies provide vacation, health insurance, and paid holiday benefits to full-time employees. Approximately nine out of ten provide life insurance and retirement benefits. The majority provides sick leave (76%), long-term disability (70%), and short-term disability (61%) benefits.
- ✓ More than four in ten participating companies offer benefits to part-time workers. The most common benefits provided to part-time workers are vacation (42%), holiday (40%), and retirement benefits (39%).
- ✓ The cost of employee benefits averaged 39.5% of payroll among companies located primarily in metropolitan areas. Costs at non-metropolitan firms averaged only 33.7% of payroll.
- ✓ Smaller companies (those employing fewer than 100 people) paid an average of 30.6% of payroll in benefits. Benefit costs at medium-sized companies (those with 500 to 1,000 employees) averaged 36.0% of payroll while the largest companies (5,000 or more workers) paid an average of 39.8% of payroll.
- ✓ Manufacturing companies paid an average of 36.7% of payroll in benefits while costs at non-manufacturing firms averaged 36.8% of payroll.
- ✓ Payments for vacation, holidays, and other time not worked accounted for the largest share of employee benefit costs, followed by medically-related benefits, and legally-required payments.

How the Payroll Dollar is Spent

Wages	63.2¢
Time Not Worked	10.7¢
Medical Benefits	9.7¢
Legally Required Payments	9.1¢
Retirement and Savings	6.6¢
Other Benefits and Costs	0.7¢

Value of Employee Benefits by Company Size, 1999



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OVERVIEW OF BENEFIT OFFERINGS

Nearly every participating company offers employee benefits beyond legally required payroll taxes. Fixed benefit packages, in which employees receive a set of benefits determined by the company, are the most common type of benefit plan among participants. However, approximately half of participating companies provide employees with the freedom to select the benefits they receive through a benefits cafeteria plan or mixed benefits plan package in which part of the benefits are determined by the company and part are determined by the employee. Small companies are the most likely to offer fixed benefits packages while the largest participating companies are the most likely to provide a benefits cafeteria plan.

Type of Benefit Plan Offered	All Companies	Non-Manufacturing	Manufacturing
Fixed benefit plan	38.0%	38.4%	37.9%
Mixed benefit package	28.4%	28.2%	28.5%
Cafeteria plan	21.2%	20.3%	21.8%
None offered beyond legally-required benefits	3.2%	3.4%	3.1%

Type of Benefit Plan Offered by Company Size	1–99	100–499	500–999	1000–2499	2500–4999	5000 plus
Fixed benefit plan	49.1%	35.4%	41.0%	47.2%	21.1%	15.0%
Mixed benefit package	21.3%	30.5%	33.3%	27.8%	31.6%	25.0%
Cafeteria plan	13.9%	22.0%	15.4%	19.4%	42.1%	45.0%
Legally-required benefits only	6.5%	3.3%	0.0%	0.0%	0.0%	0.0%

The benefits most commonly offered to full-time employees are paid vacation, health insurance, paid holidays, life insurance, and retirement plans. Slightly less common are paid sick leave, long-term disability, and short-term disability benefits. Non-manufacturing companies are more likely to offer paid sick leave than manufacturing companies (83% vs. 62%) while more manufacturing companies offer life insurance (94% vs. 88%), long-term disability (75% vs. 66%), and short-term disability (75% vs. 53%).

Typically, full-time employees receive more benefits than part-time employees. Nevertheless, approximately four out of ten participating companies offer paid vacation, paid holidays, and/or retirement plan benefits to part-time employees. In general, non-manufacturing companies are twice as likely to offer benefits to part-time workers than are manufacturing companies. The greatest disparity between full-time and part-time benefits in the survey is health insurance, which is offered to full-time employees by 97% of participating companies but to part-time workers by only 25% of participating companies.

Benefits Offered to Full Time & Part Time Workers

	All Companies		Non-Manufacturing		Manufacturing	
	FT	PT	FT	PT	FT	PT
Paid vacation	97%	42%	97%	49%	96%	25%
Health insurance	97%	25%	96%	30%	98%	16%
Paid holidays	95%	40%	95%	47%	96%	27%
Life insurance	90%	21%	88%	26%	94%	10%
Retirement plan(s)	88%	39%	88%	47%	89%	21%
Paid sick leave	76%	27%	83%	35%	62%	10%
Long-term disability	70%	12%	66%	14%	75%	7%
Short-term disability	61%	13%	53%	16%	75%	8%

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OVERVIEW OF BENEFIT OFFERINGS

In general, larger companies offer more employee benefits than smaller companies. Of the 17 study participants offering only legally required benefits, all 17 had less than 500 employees. Large companies are also more likely to offer benefits to part-time workers than are small companies; for example, while only 28% of participating companies with less than 100 employees offer health insurance to part-time workers, 70% of companies with more than 5,000 employees offer such benefits.

Benefits Offered to Full Time and Part Time Workers by Company Size

	Number of Employees											
	1–99		100–499		500–999		1000–2499		2500–4999		5000 plus	
	FT	PT	FT	PT	FT	PT	FT	PT	FT	PT	FT	PT
Paid vacation	97%	29%	97%	39%	95%	54%	100%	57%	100%	74%	100%	70%
Health insurance	92%	28%	98%	41%	97%	46%	100%	46%	100%	47%	100%	70%
Paid holidays	93%	20%	96%	36%	95%	51%	100%	60%	95%	84%	95%	75%
Life insurance	79%	18%	91%	26%	100%	26%	94%	34%	100%	42%	100%	60%
Retirement plan(s)	81%	14%	87%	22%	100%	31%	100%	43%	100%	58%	100%	60%
Paid sick leave	75%	12%	74%	18%	72%	31%	92%	29%	79%	53%	95%	50%
Long-term disability	54%	9%	67%	13%	95%	15%	89%	6%	90%	42%	95%	20%
Short-term disability	51%	8%	60%	11%	80%	21%	67%	9%	79%	21%	70%	35%

Nearly half of participating companies offer a flexible spending account for child care; however, such accounts are much more common at large participating companies. Approximately one in four participating firms offer a flexible work schedule. Flexible spending accounts for transportation (4%) are even more rare, offered by less than one in twenty participating companies.

Flexible Work Schedules and Spending Accounts

	All Companies	Non-Manufacturing	Manufacturing
Flexible Spending Accounts for child care	46%	47%	46%
Flexible Work Schedules	27%	30%	19%
Flexible Spending Accounts for transportation	4%	4%	3%

Flexible Work Schedules and Spending Accounts by Company Size

	Number of Employees					
	1–99	100–499	500–999	1000–2499	2500–4999	5000 plus
Flexible Spending Accounts for child care	26%	43%	65%	74%	74%	95%
Flexible Work Schedules	25%	22%	31%	33%	37%	55%
Flexible Spending Accounts for transportation	1%	3%	6%	9%	11%	10%

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Table 1. Employee Benefits by All Industries, by Manufacturing and Non-Manufacturing Industry Groups

Type of Benefit	Percent of Payroll %			Cents Per Hour ¢			Annual Dollars Per Employee $		
	Total, All Companies	Total, Manufacturing	Total, Non-Manufacturing	Total, All Companies	Total, Manufacturing	Total, Non-Manufacturing	Total, All Companies	Total, Manufacturing	Total, Non-Manufacturing
Total Number of Companies Reporting	387	132	254	376	129	246	386	132	253
Total Number of Full-Time Equivalent Employees Reported	315,085	66,744	248,337	311,841	66,168	245,669	314,948	66,744	248,200
Total Benefits	36.8%	36.7%	36.8%	672.0¢	579.3¢	696.9¢	$14,060	$12,425	$14,499
Legally-Required	9.1	9.9	8.9	157.2	151.1	158.9	3,300	3,250	3,313
Federally-Required Payroll Taxes	7.3	7.5	7.2	127.0	117.8	129.5	2,666	2,537	2,700
Unemployment Compensation	0.4	0.9	0.3	7.0	13.0	5.4	149	280	113
Workers' Compensation Insurance	1.3	1.4	1.3	22.0	18.6	22.9	460	396	477
Other	0.1	0.1	0.1	1.2	1.7	1.1	26	36	23
Time Not Worked	10.7	9.0	11.1	196.7	150.0	209.2	4,113	3,248	4,346
Payments for Holidays	2.4	2.0	2.5	42.8	34.9	45.0	894	760	930
Paid Breaks, etc.	1.0	1.4	0.9	16.9	23.2	15.3	359	503	321
Sick Leave Pay	1.6	0.3	2.0	30.1	4.6	37.0	624	99	765
Payments for Vacations	4.1	3.8	4.2	75.0	57.6	79.6	1,556	1,215	1,648
Paid Time Off	1.3	1.3	1.2	24.5	26.4	23.9	524	604	502
Family and Medical Leave Pay	0.0	0.0	0.0	0.3	0.5	0.2	6	11	4
Other	0.3	0.2	0.3	7.1	2.7	8.2	151	57	176
Medical	9.7	11.0	9.4	176.1	161.3	180.1	3,685	3,425	3,754
STD, Sickness or Accident Insurance	0.4	0.4	0.3	9.5	6.0	10.4	197	128	215
LTD or Wage Continuation	0.4	0.5	0.3	6.2	6.9	6.0	130	145	126
Medical Insurance Premiums	7.8	7.9	7.7	132.5	114.2	137.4	2,777	2,432	2,869
Dental Insurance Premiums	0.4	0.5	0.4	7.9	8.3	7.7	164	176	161
Vision Care	0.0	0.0	0.0	0.3	0.4	0.3	7	8	7
Retiree Medical Insurance Premiums	0.3	0.2	0.3	9.0	4.9	10.1	186	101	209
Prescription Drug Coverage	0.3	0.7	0.2	6.1	12.0	4.5	127	253	93
Other	0.0	0.0	0.1	0.8	0.1	1.0	17	1	21
Administration Costs	0.3	0.6	0.1	3.8	8.5	2.6	80	181	53
Life Insurance and Death	0.2	0.4	0.2	4.2	6.0	3.7	89	128	78
Retirement and Savings	6.6	5.5	6.8	128.6	97.0	137.2	2,682	2,077	2,844
Defined Benefit Pension Plan	1.6	1.0	1.7	38.5	21.6	43.1	805	449	901
Cash Balance or Other Hybrid Plan	0.2	0.1	0.2	3.2	1.1	3.7	65	23	76
401K and similar	1.5	1.7	1.5	29.7	28.8	30.0	622	620	623
Profit-Sharing	1.6	2.5	1.4	28.7	42.1	25.1	601	912	517
Stock Bonus/ESOP	0.1	0.0	0.1	1.0	0.2	1.3	21	4	26
Non-Qualified Deferred Compensation	0.4	0.0	0.5	6.9	0.5	8.6	142	10	178
Other	1.2	0.0	1.5	19.1	0.3	24.1	393	6	497
Administration Costs	0.1	0.1	0.0	1.5	2.6	1.2	31	54	25
Miscellaneous Benefit Pay	0.5	0.8	0.4	9.1	13.8	7.9	192	297	164
Severance Pay	0.2	0.3	0.1	4.0	5.8	3.6	84	120	74
Child Care	0.0	0.0	0.0	0.1	0.0	0.2	2	0	3
Employee Education Expenditures	0.2	0.4	0.2	4.2	7.5	3.3	89	165	69
Discounts	0.0	0.0	0.0	0.8	0.5	0.9	17	11	18

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Table 2. Five Levels of Employee Benefits

Among All Responding Companies	Percent of Payroll	Cents Per Payroll Hour	Annual Dollars Per Employee
10% of companies paid more than	43.7%	876.6¢	$18,447
25% of companies paid more than	37.7%	649.5¢	$13,674
50% of companies paid more than	30.5%	452.1¢	$ 9,625
75% of companies paid more than	23.3%	306.2¢	$ 6,592
90% of companies paid more than	19.3%	212.5¢	$ 4,616

Among Manufacturing Companies	Percent of Payroll	Cents Per Payroll Hour	Annual Dollars Per Employee
10% of manufacturing companies paid more than	47.5%	800.5	$17,894
25% of manufacturing companies paid more than	39.5%	660.4	$13,912
50% of manufacturing companies paid more than	32.7%	487.3	$10,614
75% of manufacturing companies paid more than	26.7%	344.4	$ 7,309
90% of manufacturing companies paid more than	21.1%	230.8	$ 4,910

Among Non-Manufacturing Companies	Percent of Payroll	Cents Per Payroll Hour	Annual Dollars Per Employee
10% of non-manufacturing companies paid more than	42.4%	915.3	$18,975
25% of non-manufacturing companies paid more than	36.5%	632.8	$13,260
50% of non-manufacturing companies paid more than	28.9%	435.8	$9,250
75% of non-manufacturing companies paid more than	22.5%	295.1	$6,226
90% of non-manufacturing companies paid more than	18.5%	195.2	$4,449

Among Small Companies (less than 100 employees)	Percent of Payroll	Cents Per Payroll Hour	Annual Dollars Per Employee
10% of small companies paid more than	41.6%	923.4	$19,480
25% of small companies paid more than	34.5%	665.5	$13,760
50% of small companies paid more than	28.2%	442.0	$ 9,293
75% of small companies paid more than	22.7%	286.8	$ 6,167
90% of small companies paid more than	18.1%	204.4	$ 4,663

Among Medium-sized Companies (100 to 499 employees)	Percent of Payroll	Cents Per Payroll Hour	Annual Dollars Per Employee
10% of medium-sized companies paid more than	42.6%	763.6	$15,930
25% of medium-sized companies paid more than	37.2%	600.7	$12,512
50% of medium-sized companies paid more than	30.4%	424.9	$ 8,855
75% of medium-sized companies paid more than	22.5%	292.8	$ 6,259
90% of medium-sized companies paid more than	19.3%	192.8	$ 4,163

Among Large Companies (500 or more employees)	Percent of Payroll	Cents Per Payroll Hour	Annual Dollars Per Employee
10% of large companies paid more than	47.2%	1079.9	$21,211
25% of large companies paid more than	41.3%	868.2	$18,164
50% of large companies paid more than	34.0%	585.6	$12,287
75% of large companies paid more than	26.6%	415.8	$ 8,746
90% of large companies paid more than	20.9%	245.2	$ 5,307

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Table 3. Employee Benefits as Annual Dollars per Employee, by Company Size

Type of Benefit	Under 100 Employees	100–499 Employees	500–999 Employees	1,000–2,499 Employees	2,500–4,999 Employees	5,000 Employees and Over
Total Number of Respondents	84	222	29	25	15	11
Total Benefits as Annual Dollars	$11,147	$10,155	$13,226	$15,242	$13,273	$15,066
Legally-Required Payments	3,531	3,083	3,416	3,572	3,331	3,274
Federally-Required Payroll Taxes	2,677	2,334	2,692	3,101	2,838	2,619
Unemployment Compensation	309	221	238	160	180	110
Workers' Compensation Insurance	475	421	369	311	296	542
Other	71	107	116	0	16	3
Payments for Time Not Worked	2,871	2,974	3,690	4,833	3,706	4,396
Payments for Holidays	793	708	877	1,023	779	941
Paid Breaks, etc.	432	520	463	700	429	226
Sick Leave Pay	263	257	338	530	314	832
Payments for Vacations	1,210	1,088	1,696	1,859	1,240	1,667
Paid Time Off	117	309	219	453	872	554
Family and Medical Leave Pay	13	14	29	19	0	0
Other	42	78	68	250	72	176
Medical and Medically-Related Benefit Payments	2,900	2,568	3,733	4,472	3,310	3,885
STD, Sickness or Accident Insurance	56	48	157	64	146	276
LTD or Wage Continuation	77	58	130	156	94	151
Medical Insurance Premiums	2,572	2,208	2,848	3,617	2,371	2,829
Dental Insurance Premiums	97	88	175	265	159	163
Vision Care	6	4	10	11	10	6
Retiree Medical Insurance Premiums	1	22	36	121	190	257
Prescription Drug Coverage	0	22	60	116	248	138
Other	30	23	174	23	3	1
Administration Costs	60	95	142	99	88	65
Life Insurance and Death	136	79	159	162	103	65
Retirement and Savings	1,465	1,326	2,007	1,959	2,352	3,311
Defined Benefit Pension Plan	305	422	188	746	692	1005
Cash Balance or Other Hybrid Plan	26	21	37	0	499	0
401K and similar	493	467	794	480	787	638
Profit-Sharing	481	263	434	227	158	869
Stock Bonus/ESOP	43	45	168	0	42	0
Non-Qualified Deferred Compensation	6	15	43	104	26	218
Other	15	38	293	366	87	565
Administration Costs	94	56	51	36	59	16
Miscellaneous Benefit Pay	244	124	221	244	471	135
Severance Pay	94	18	46	86	413	33
Child Care	0	3	0	2	5	2
Employee Education Expenditures	121	87	166	107	52	86
Discounts	29	16	9	48	2	14

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Table 4. Employee Benefits as Cents per Hour, by Company Size

Type of Benefit	Under 100 Employees	100–499 Employees	500–999 Employees	1,000–2,499 Employees	2,500–4,999 Employees	5,000 Employees and Over
Total Number of Respondents	83	215	28	24	15	11
Total Benefits as Cents Per Hour	525.5¢	481.4¢	657.0¢	723.1¢	630.1¢	719.5¢
Legally-Required Payments	163.7	146.0	167.2	166.9	157.6	156.8
Federally-Required Payroll Taxes	125.1	110.4	132.1	145.5	134.3	125.3
Unemployment Compensation	14.2	10.5	10.9	7.4	8.4	5.3
Workers' Compensation Insurance	21.0	19.9	18.5	14.0	14.1	26.1
Other	3.4	5.2	5.7	0.0	0.7	0.1
Payments for Time Not Worked	135.7	141.0	188.2	228.9	176.0	209.8
Payments for Holidays	37.2	33.5	44.5	48.6	37.3	45.0
Paid Breaks, etc.	20.3	24.9	23.2	34.3	20.5	10.3
Sick Leave Pay	12.8	12.2	17.7	24.8	15.1	40.1
Payments for Vacations	57.1	51.3	87.0	87.4	59.5	80.5
Paid Time Off	5.7	14.6	11.0	22.5	40.1	25.5
Family and Medical Leave Pay	0.7	0.7	1.5	0.7	0.0	0.0
Other	1.9	3.7	3.3	10.5	3.4	8.4
Medical and Medically-Related Benefit Payments	137.8	121.6	184.0	212.4	156.3	186.0
STD, Sickness or Accident Insurance	2.7	2.3	7.6	2.9	7.0	13.3
LTD or Wage Continuation	3.7	2.7	6.4	7.2	4.4	7.2
Medical Insurance Premiums	121.9	104.5	139.8	172.2	111.5	135.3
Dental Insurance Premiums	4.8	4.1	9.0	12.7	7.6	7.8
Vision Care	0.3	0.2	0.5	0.6	0.5	0.3
Retiree Medical Insurance Premiums	0.0	1.0	1.8	4.9	9.1	12.4
Prescription Drug Coverage	0.0	1.1	3.2	5.8	11.9	6.5
Other	1.5	1.1	8.7	1.2	0.2	0.0
Administration Costs	2.9	4.5	7.1	4.8	4.1	3.1
Life Insurance and Death	6.5	3.7	7.7	7.7	4.9	3.2
Retirement and Savings	70.0	63.2	98.9	95.5	112.8	157.5
Defined Benefit Pension Plan	15.1	20.0	9.4	37.0	33.3	47.5
Cash Balance or Other Hybrid Plan	1.3	1.0	1.8	0.0	24.0	0.0
401K and similar	24.0	22.6	38.0	22.1	37.6	30.5
Profit-Sharing	21.9	12.4	22.0	11.3	7.6	41.1
Stock Bonus/ESOP	2.1	2.2	8.5	0.0	2.0	0.0
Non-Qualified Deferred Compensation	0.3	0.7	2.2	5.2	1.3	10.5
Other	0.7	1.8	14.7	18.1	4.2	27.2
Administration Costs	4.5	2.5	2.4	1.8	2.8	0.8
Miscellaneous Benefit Pay	11.9	6.0	10.9	11.6	22.6	6.3
Severance Pay	4.6	0.9	2.1	4.1	19.9	1.6
Child Care	0.0	0.1	0.0	0.1	0.2	0.1
Employee Education Expenditures	5.8	4.2	8.4	5.1	2.4	3.9
Discounts	1.4	0.8	0.4	2.4	0.1	0.7

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Table 5. Employee Benefits as Percent of Payroll, by Company Size

Type of Benefit	Under 100 Employees	100–499 Employees	500–999 Employees	1,000–2,499 Employees	2,500–4,999 Employees	5,000 Employees and Over
Total Number of Respondents	84	223	29	25	15	11
Total Benefits as Percent of Payroll	30.6%	31.5%	36.0%	34.7%	31.5%	39.8%
Legally-Required Payments	10.2	10.0	9.8	8.4	8.2	9.2
Federally-Required Payroll Taxes	7.3	7.3	7.2	7.2	7.0	7.4
Unemployment Compensation	1.0	0.8	0.8	0.4	0.4	0.3
Workers' Compensation Insurance	1.7	1.5	1.3	0.8	0.8	1.5
Other	0.2	0.3	0.5	0.0	0.0	0.0
Payments for Time Not Worked	7.6	9.1	9.6	10.9	8.7	11.6
Payments for Holidays	2.1	2.1	2.2	2.2	1.8	2.6
Paid Breaks, etc.	1.2	1.7	1.4	1.8	1.2	0.6
Sick Leave Pay	0.7	0.8	0.7	1.2	0.8	2.2
Payments for Vacations	3.2	3.3	4.1	4.1	2.7	4.7
Paid Time Off	0.4	1.0	0.7	1.0	2.0	1.3
Family and Medical Leave Pay	0.0	0.0	0.1	0.0	0.0	0.0
Other	0.1	0.2	0.3	0.6	0.1	0.3
Medical and Medically-Related Benefit Payments	8.1	8.1	10.6	10.2	8.0	10.4
STD, Sickness or Accident Insurance	0.1	0.2	0.4	0.2	0.3	0.5
LTD or Wage Continuation	0.2	0.2	0.3	0.4	0.2	0.4
Medical Insurance Premiums	7.2	7.0	8.4	8.4	6.0	8.1
Dental Insurance Premiums	0.2	0.3	0.5	0.6	0.3	0.4
Vision Care	0.0	0.0	0.0	0.0	0.0	0.0
Retiree Medical Insurance Premiums	0.0	0.1	0.1	0.2	0.4	0.4
Prescription Drug Coverage	0.0	0.1	0.1	0.2	0.5	0.3
Other	0.1	0.1	0.4	0.0	0.0	0.0
Administration Costs	0.2	0.3	0.4	0.3	0.3	0.2
Life Insurance and Death	0.4	0.2	0.4	0.4	0.3	0.2
Retirement and Savings	3.8	3.7	5.1	4.2	5.4	8.2
Defined Benefit Pension Plan	0.7	1.1	0.4	1.7	1.6	1.8
Cash Balance or Other Hybrid Plan	0.1	0.1	0.1	0.0	1.1	0.0
401K and similar	1.3	1.3	1.8	1.0	1.8	1.6
Profit-Sharing	1.2	0.8	1.3	0.4	0.4	2.4
Stock Bonus/ESOP	0.1	0.1	0.5	0.0	0.2	0.0
Non-Qualified Deferred Compensation	0.0	0.0	0.1	0.2	0.1	0.6
Other	0.0	0.1	0.7	0.7	0.2	1.8
Administration Costs	0.2	0.2	0.2	0.0	0.1	0.0
Miscellaneous Benefit Pay	0.6	0.4	0.5	0.6	0.9	0.4
Severance Pay	0.2	0.1	0.1	0.2	0.7	0.1
Child Care	0.0	0.0	0.0	0.0	0.0	0.0
Employee Education Expenditures	0.3	0.2	0.4	0.3	0.1	0.2
Discounts	0.1	0.0	0.0	0.1	0.0	0.0

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Table 6. Employee Benefits as Percent of Payroll, by Geographic Region, Metropolitan, and Non-Metropolitan Groups

Type of Benefit	East North Central (WI, IL, MI, IN, OH)	East South Central (KY, TN, MS, AL)	Middle Atlantic (NY, PA, NJ)	Mountain (MT, ID, WY, NV, UT, CO, AZ, NM)	New England (ME, VT, NH, MA, CT, RI)	Pacific (WA, OR, CA, HI, AK)	South Atlantic (WV, VA, MD, DE, DC, NC, SC, GA, FL)	West North Central (ND, SD, NE, KS, MN, IA, MO)	West South Central (TX, OK, AR, LA)	Metropolitan area	Non-metropolitan area
Total Number of Companies Reporting	92	33	41	24	25	39	50	49	22	208	166
Total Benefits as a Percent of Payroll	33.0%	37.1%	50.2%	34.7%	33.7%	32.6%	34.9%	34.1%	45.1%	39.5%	33.7%
Legally-Required	9.3	8.8	9.9	8.7	8.4	9.3	9.1	8.4	10.4	9.2	9.8
Federally-Required Payroll Taxes	7.3	7.3	7.1	7.6	6.8	7.1	7.3	7.2	7.6	7.3	7.4
Unemployment Compensation	0.6	0.4	0.4	0.7	0.6	0.6	0.7	0.2	0.4	0.4	0.7
Workers' Compensation Insurance	1.1	0.9	2.2	0.4	0.7	1.5	1.1	0.9	2.4	1.4	1.7
Other	0.3	0.2	0.1	0.0	0.4	0.1	0.0	0.0	0.0	0.1	0.2
Time Not Worked	9.2	12.8	13.7	12.4	11.6	10.5	9.1	11.6	9.2	11.2	8.4
Payments for Holidays	2.0	1.9	2.3	3.2	2.6	2.7	1.3	3.7	0.5	1.9	1.5
Paid Breaks, etc.	1.5	4.1	1.2	1.7	0.8	1.5	1.6	0.4	0.2	1.4	1.1
Sick Leave Pay	0.8	0.7	2.1	0.2	1.0	1.6	0.4	2.2	3.2	1.6	0.8
Payments for Vacations	3.7	3.1	4.9	0.8	5.3	4.5	3.5	4.6	5.1	3.6	3.9
Paid Time Off	0.7	2.9	1.7	6.6	0.4	0.1	2.3	0.7	0.1	2.2	0.7
Family and Medical Leave Pay	0.0	0.1	0.0	0.0	0.1	0.0	0.0	0.0	0.0	0.0	0.0
Other	0.4	0.1	1.5	0.0	1.3	0.0	0.1	0.0	0.1	0.4	0.2
Medical	9.4	10.4	15.4	5.4	8.4	7.1	10.8	8.8	10.2	9.4	10.1
STD, Sickness or Accident Insurance	0.3	0.1	1.9	0.1	0.4	0.1	0.5	0.1	0.0	0.6	0.3
LTD or Wage Continuation	0.2	0.2	0.4	0.2	0.3	0.3	0.7	0.4	0.1	0.2	0.4
Medical Insurance Premiums	7.8	8.7	8.9	3.5	6.2	5.6	7.8	8.2	9.1	7.0	7.9
Dental Insurance Premiums	0.4	0.3	0.7	0.5	0.6	0.4	0.4	0.1	0.8	0.5	0.4
Vision Care	0.0	0.0	0.0	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Retiree Medical Insurance Premiums	0.3	0.0	2.2	0.1	0.1	0.5	0.1	0.0	0.0	0.6	0.2
Prescription Drug Coverage	0.1	0.1	1.1	0.7	0.5	0.1	0.5	0.0	0.0	0.3	0.4
Other	0.2	0.7	0.0	0.0	0.0	0.1	0.0	0.0	0.0	0.1	0.0
Administration Costs	0.3	0.3	0.2	0.3	0.1	0.0	0.8	0.1	0.2	0.2	0.5
Life Insurance and Death	0.3	0.3	0.2	0.2	0.2	0.3	0.3	0.2	0.1	0.2	0.3
Retirement and Savings	4.4	4.2	10.3	6.8	3.8	5.1	4.7	4.9	15.2	9.0	4.4
Defined Benefit Pension Plan	1.0	0.9	8.0	0.5	1.0	2.4	0.5	0.8	0.4	2.5	1.3
Cash Balance or Other Hybrid Plan	0.0	1.1	0.1	0.0	0.0	0.0	0.7	0.0	0.0	0.2	0.1
401K and similar	1.3	1.5	1.4	2.2	1.8	1.4	1.9	0.5	4.1	2.4	1.1
Profit-Sharing	0.9	0.3	0.5	3.9	0.1	0.5	1.1	0.2	7.6	2.5	1.4
Stock Bonus/ESOP	0.1	0.1	0.0	0.0	0.0	0.2	0.1	0.1	0.0	0.1	0.1
Non-Qualified Deferred Compensation	0.0	0.2	0.0	0.0	0.2	0.0	0.0	0.1	2.9	0.8	0.1
Other	0.9	0.0	0.1	0.1	0.6	0.4	0.1	3.2	0.1	0.3	0.1
Administration Costs	0.1	0.2	0.1	0.1	0.1	0.1	0.1	0.0	0.1	0.1	0.2
Miscellaneous Benefit Pay	0.4	0.5	0.7	1.1	1.4	0.3	0.8	0.2	0.1	0.6	0.6
Severance Pay	0.1	0.1	0.4	0.0	1.1	0.1	0.4	0.0	0.0	0.2	0.2
Child Care	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Employee Education Expenditures	0.3	0.4	0.3	0.9	0.2	0.1	0.3	0.2	0.0	0.2	0.4
Discounts	0.0	0.0	0.0	0.1	0.0	0.1	0.0	0.0	0.0	0.1	0.0

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Table 7. Employee Benefits as Annual Dollars per Employee, by Manufacturing and Non-Manufacturing Industry Groups

Type of Benefit	Total, All Manufacturing	Total, All Non-Manufacturing
Total Employee Benefits as Annual Dollars, Per Employee	$12,425	$14,499
I. Legally-Required Payments (employers' share only)	3,250	3,313
1. Federally-Required Payroll Taxes	2,537	2,700
2. Unemployment Compensation	280	113
3. Workers' Compensation Insurance	396	477
4. Other	36	23
II. Payments for Time Not Worked (employers' share only)	3,248	4,346
1. Payments for Holidays	760	930
2. Paid Breaks, etc.	503	321
3. Sick Leave Pay	99	765
4. Payments for Vacations	1,215	1,648
5. Paid Time Off	604	502
6. Family and Medical Leave Pay	11	4
7. Other	57	176
A. Medical and Medically-Related Benefit Payments (employers' share only)	3,425	3,754
1. STD, Sickness or Accident Insurance	128	215
2. LTD or Wage Continuation	145	126
3. Medical Insurance Premiums	2,432	2,869
4. Dental Insurance Premiums	176	161
5. Vision Care	8	7
6. Retiree Medical Insurance Premiums	101	209
7. Prescription Drug Coverage	253	93
8. Other	1	21
9. Administration Costs	181	53
B. Life Insurance and Death (employers' share only)	128	78
C. Retirement and Savings (employers' share only)	2,077	2,844
1. Defined Benefit Pension Plan	449	901
2. Cash Balance or Other Hybrid Plan	23	76
3. 401K and similar	620	623
4. Profit-Sharing	912	517
5. Stock Bonus/ESOP	4	26
6. Non-Qualified Deferred Compensation	10	178
7. Other	6	497
8. Administration Costs	54	25
D. Miscellaneous Benefit Pay (employers' share only)	297	164
1. Severance Pay	120	74
2. Child Care	0	3
3. Employee Education Expenditures	165	69
4. Discounts	11	18

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Table 8. Employee Benefits as Cents per Payroll Hour, by Manufacturing and Non-Manufacturing Industry Groups

Type of Benefit	Total, All Manufacturing	Total, All Non-Manufacturing
Total Employee Benefits as Cents Per Hour	579.3 ¢	696.9 ¢
A. Legally-Required Payments (employers' share only)	151.1	158.9
1. Federally-Required Payroll Taxes	117.8	129.5
2. Unemployment Compensation	13.0	5.4
3. Workers' Compensation Insurance	18.6	22.9
4. Other	1.7	1.1
B. Payments for Time Not Worked (employers' share only)	150.0	209.2
1. Payments for Holidays	34.9	45.0
2. Paid Breaks, etc.	23.2	15.3
3. Sick Leave Pay	4.6	37.0
4. Payments for Vacations	57.6	79.6
5. Paid Time Off	26.4	23.9
6. Family and Medical Leave Pay	0.5	0.2
7. Other	2.7	8.2
C. Medical and Medically-Related Benefit Payments (employers' share only)	161.3	180.1
1. STD, Sickness or Accident Insurance	6.0	10.4
2. LTD or Wage Continuation	6.9	6.0
3. Medical Insurance Premiums	114.2	137.4
4. Dental Insurance Premiums	8.3	7.7
5. Vision Care	0.4	0.3
6. Retiree Medical Insurance Premiums	4.9	10.1
7. Prescription Drug Coverage	12.0	4.5
8. Other	0.1	1.0
9. Administration Costs	8.5	2.6
D. Life Insurance and Death (employers' share only)	6.0	3.7
E. Retirement and Savings (employers' share only)	97.0	137.2
1. Defined Benefit Pension Plan	21.6	43.1
2. Cash Balance or Other Hybrid Plan	1.1	3.7
3. 401K and similar	28.8	30.0
4. Profit-Sharing	42.1	25.1
5. Stock Bonus/ESOP	0.2	1.3
6. Non-Qualified Deferred Compensation	0.5	8.6
7. Other	0.3	24.1
8. Administration Costs	2.6	1.2
F. Miscellaneous Benefit Pay (employers' share only)	13.8	7.9
1. Severance Pay	5.8	3.6
2. Child Care	0.0	0.2
3. Employee Education Expenditures	7.5	3.3
4. Discounts	0.5	0.9

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Table 9. Employee Benefits as Percent of Payroll, by Manufacturing and Non-Manufacturing Industry Groups

Type of Benefit	Total, All Manufacturing	Total, All Non-Manufacturing
Total Employee Benefits as Percent of Payroll	36.7%	36.8%
A. Legally-Required Payments (employers' share only)	9.9	8.9
1. Federally-Required Payroll Taxes	7.5	7.2
2. Unemployment Compensation	0.9	0.3
3. Workers' Compensation Insurance	1.4	1.3
4. Other	0.1	0.1
B. Payments for Time Not Worked (employers' share only)	9.0	11.1
1. Payments for Holidays	2.0	2.5
2. Paid Breaks, etc.	1.4	0.9
3. Sick Leave Pay	0.3	2.0
4. Payments for Vacations	3.8	4.2
5. Paid Time Off	1.3	1.2
6. Family and Medical Leave Pay	0.0	0.0
7. Other	0.2	0.3
C. Medical and Medically-Related Benefit Payments (employers' share only)	11.0	9.4
1. STD, Sickness or Accident Insurance	0.4	0.3
2. LTD or Wage Continuation	0.5	0.3
3. Medical Insurance Premiums	7.9	7.7
4. Dental Insurance Premiums	0.5	0.4
5. Vision Care	0.0	0.0
6. Retiree Medical Insurance Premiums	0.2	0.3
7. Prescription Drug Coverage	0.7	0.2
8. Other	0.0	0.1
9. Administration Costs	0.6	0.1
D. Life Insurance and Death (employers' share only)	0.4	0.2
E. Retirement and Savings (employers' share only)	5.5	6.8
1. Defined Benefit Pension Plan	1.0	1.7
2. Cash Balance or Other Hybrid Plan	0.1	0.2
3. 401K and similar	1.7	1.5
4. Profit-Sharing	2.5	1.4
5. Stock Bonus/ESOP	0.0	0.1
6. Non-Qualified Deferred Compensation	0.0	0.5
7. Other	0.0	1.5
8. Administration Costs	0.1	0.0
F. Miscellaneous Benefit Pay (employers' share only)	0.8	0.4
1. Severance Pay	0.3	0.1
2. Child Care	0.0	0.0
3. Employee Education Expenditures	0.4	0.2
4. Discounts	0.0	0.0

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Table 10. Employee Benefits as Annual Dollars per Employee by Manufacturing Industry Group

Type of Benefit	Total, All Manufacturing	Computer, Electronic, and Electrical Equipment, Products, and Components	Fabricated Metal Products	Pulp, Paper, Lumber and Furniture	Food, Beverage, and Tobacco	Machinery	Textile and Apparel	Rubber, Leather, Plastic, and Allied Products	Chemicals (including pharmaceutical companies	Printing (including related support activities)	Other Manufacturing Industries (including Transportation Equipment)
Total Number of Companies Reporting	132	14	31	20	6	11	5	9	8	6	22
Total Annual Dollars Per Employee	$12,425	$15,851	$10,589	$10,047	$9,014	$18,304	$9,094	$8,968	$17,317	$11,032	$12,100
Legally-Required	3,250	3,831	3,425	2,777	2,612	3,929	2,531	2,408	4,250	3,399	3,409
Federally-Required Payroll Taxes	2,537	3,378	2,372	2,113	1,961	2,915	1,781	2,029	3,411	2,738	2,763
Unemployment Compensation	280	311	271	185	229	223	308	173	227	168	338
Workers' Compensation Insurance	396	98	653	444	417	790	432	202	428	493	293
Other	36	44	129	35	5	1	10	3	184	0	14
Time Not Worked	3,248	5,659	3,299	2,401	2,373	3,328	1,422	2,917	4,982	3,091	3,283
Payments for Holidays	760	1,472	822	717	615	1,003	17	685	1,381	796	822
Paid Breaks, etc.	503	710	1,013	432	678	686	29	902	983	393	365
Sick Leave Pay	99	155	59	168	137	66	6	189	322	37	135
Payments for Vacations	1,215	537	1,170	1,061	805	1,504	1,358	993	2,260	1,774	1,596
Paid Time Off	604	2,782	81	9	118	22	0	81	0	31	100
Family and Medical Leave Pay	11	1	9	1	3	0	1	45	0	0	55
Other	57	3	144	13	17	48	12	22	37	61	209
Medical	3,425	2,466	2,853	3,433	1,973	5,253	3,792	2,446	4,207	3,222	3,485
STD, Sickness or Accident Insurance	128	51	71	176	15	116	213	96	117	70	145
LTD or Wage Continuation	145	68	36	69	0	141	312	64	164	48	100
Medical Insurance Premiums	2,432	1,714	2,468	2,873	1,819	3,087	2,433	2,076	3,528	2,835	2,651
Dental Insurance Premiums	176	257	98	139	43	284	157	25	190	65	156
Vision Care	8	33	3	0	24	0	0	0	0	0	2
Retiree Medical Insurance Premiums	101	0	0	21	66	699	9	0	88	0	134
Prescription Drug Coverage	253	243	36	13	0	796	302	97	0	131	181
Other	1	0	2	0	0	1	0	25	0	0	0
Administration Costs	181	100	138	142	6	130	366	64	120	73	116
Life Insurance and Death	128	106	78	141	44	203	112	214	279	88	114
Retirement and Savings	2,077	3,264	781	1,268	1,994	4,784	1,036	828	3,401	1,152	1,697
Defined Benefit Pension Plan	449	310	43	327	0	2,682	36	0	999	0	207
Cash Balance or Other Hybrid Plan	23	0	0	1	0	0	0	239	0	211	72
401K and similar	620	792	355	609	0	1,160	252	360	1,336	521	868
Profit-Sharing	912	2,144	251	246	1986	885	687	193	550	370	503
Stock Bonus/ESOP	4	0	36	0	0	0	0	0	0	0	0
Non-Qualified Deferred Compensation	10	0	0	0	0	0	2	4	194	0	13
Other	6	0	5	9	4	0	0	0	127	0	0
Administration Costs	54	19	91	75	4	57	59	31	195	50	35
Miscellaneous Benefit Pay	297	526	153	27	17	807	200	156	197	80	111
Severance Pay	120	13	26	4	0	727	100	42	100	1	32
Child Care	0	0	0	0	0	0	0	0	0	0	0
Employee Education Expenditures	165	466	126	23	7	73	100	113	98	61	75
Discounts	11	46	0	0	10	7	0	0	0	17	4

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Table 11. Employee Benefits as Annual Dollars per Employee by Non-Manufacturing Industry Group

Type of Benefit	Total, All Non-Manufacturing	Retail Trade	Health Care (including hospitals)	Food and Lodging (e.g., motels and restaurants)	Wholesale Trade	Finance and Insurance	Construction	Professional, Scientific, and Technical Services (e.g., consulting, legal, accounting, and networking services	Information (e.g., data processing, information services, and publishing)	Transportation, Distribution, and Warehousing	Social Assistance (including social welfare organizations)	Public Utilities	Educational Services	Other Non-Manufacturing Industries (including Support and Management companies)
Number Reporting	253	30	65	9	10	33	16	21	6	8	12	13	16	14
Total Annual Dollars Per Employee	$14,499	$6,569	$10,703	$5,695	$10,176	$15,276	$5,857	$19,027	$11,876	$17,891	$8,076	$35,084	$11,601	$10,222
Legally-Required	3,313	3,066	2,706	2,683	3,586	3,467	2,721	4,266	3,382	4,031	2,830	6,492	2,452	3,373
Federally-Required Payroll Taxes	2,700	2,449	2,307	1,763	2,545	3,139	1,625	3,994	2,908	2,851	2,085	4,711	2,197	2,507
Unemployment Compensation	113	234	61	414	250	168	383	103	409	149	92	139	40	417
Workers' Compensation	477	315	320	463	726	148	713	163	66	988	399	1,614	209	381
Other	23	68	17	43	64	12	0	6	0	43	254	28	5	69
Time Not Worked	4,346	1,279	3,625	1,258	1,359	4,532	863	6,396	3,172	3,580	2,343	10,459	4,229	2,861
Holiday Pay	930	224	504	291	329	1,097	148	1,727	506	151	489	1,733	1,506	851
Paid Breaks, etc.	321	120	807	184	337	460	219	54	56	36	125	135	28	173
Sick Leave Pay	765	61	317	66	171	371	16	909	308	1,305	248	2,243	923	36
Vacation Pay	1,648	444	865	553	450	1,183	343	3,458	1,370	2,046	769	4,884	1,767	310
Paid Time Off	502	415	974	163	9	1,379	135	217	852	1	652	13	1	1,474
Family and Medical Leave Pay	4	0	11	0	0	5	1	10	34	0	40	0	0	0
Other	176	15	147	0	62	37	0	20	45	41	20	1,451	3	16
Medical	3,754	1,664	2,770	1,294	2,798	3,248	1,467	4,023	3,401	3,914	2,032	10,620	3,259	2,805
Short-term Disability	215	9	27	18	102	186	9	8	231	3	163	2,036	0	106
LTD	126	15	102	5	73	126	11	154	62	70	62	276	152	105
Medical Premiums	2,869	1,586	2,435	1,137	2,102	2,457	1,097	3,169	2,882	3,478	1,733	4,791	3,026	1,646
Dental Premiums	161	37	113	14	246	134	32	222	135	328	36	609	7	192
Vision Care	7	0	4	0	21	4	3	25	11	0	0	40	1	28
Retiree Medical Premiums	209	6	2	0	0	179	0	427	0	0	0	2,029	2	119
Prescription Drug	93	0	29	0	211	19	23	0	0	0	0	768	7	416
Other	21	1	9	0	0	4	263	14	0	0	0	20	46	24
Administration Costs	53	10	49	120	43	138	31	4	81	35	39	50	18	170
Life Insurance	78	31	57	37	77	176	17	235	114	42	64	92	48	200
Retirement and Savings	2,844	432	1,337	276	2,201	3,613	626	3,931	1,394	6,322	768	6,779	1,593	916
Defined Benefit	901	0	760	19	0	1,543	316	0	323	4	28	5,258	113	46
Cash Balance or Other Hybrid Plan	76	0	47	0	0	450	30	0	0	0	0	0	0	0
401K and similar	623	287	350	225	226	1,116	93	249	990	1,709	243	1,317	38	599
Profit-Sharing	517	50	31	17	1,933	260	166	4	0	3,213	440	0	0	0
Stock Bonus/ESOP	26	54	22	0	0	43	9	527	17	0	0	7	0	181
Non-Qualified Deferred Compensation	178	0	6	0	0	118	0	0	30	1,254	0	24	0	6
Other	497	22	93	0	29	12	0	3,140	0	117	48	148	1,441	0
Admin. Costs	25	20	27	16	13	71	13	10	34	25	9	24	0	85
Miscellaneous Benefit Pay	164	97	209	147	156	240	163	176	412	1	39	642	20	68
Severance Pay	74	9	58	59	12	118	5	51	104	0	11	457	2	26
Child Care	3	0	8	0	0	4	0	0	0	0	2	6	0	0
Employee Education	69	42	128	65	33	58	88	125	300	1	26	179	18	27
Discounts	18	45	15	23	110	60	70	0	7	0	1	0	0	14

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Table 12. Employee Benefits as Cents per Hour by Manufacturing Industry Group

Type of Benefit	Total, All Manufacturing	Computer, Electronic, and Electrical Equipment, Products, and Components	Fabricated Metal Products	Pulp, Paper, Lumber, and Furniture	Food, Beverage, and Tobacco	Machinery	Textile and Apparel	Rubber, Leather, and Plastic, and Allied Products	Chemicals (including pharmaceutical companies	Printing (including related support activities	Other Manufacturing Industries (including Transportation Equipment)
Total Number of Companies Reporting	129	13	31	20	60	10	5	8	8	6	22
Total Benefits as Cents per Hour	579.3¢	717.8¢	489.3¢	455.2¢	404.7¢	871.8¢	437.2¢	432.3¢	785.6¢	522.4¢	571.2¢
Legally-Required	151.1	173.1	158.0	126.4	113.9	184.3	121.7	116.7	192.3	160.3	160.1
Federally-Required Payroll Taxes	117.8	152.7	109.2	96.2	85.8	136.8	85.6	99.0	153.7	129.1	130.4
Unemployment Compensation	13.0	13.9	12.4	8.6	10.1	10.2	14.8	8.4	10.7	7.9	15.6
Workers' Compensation Insurance	18.6	4.4	30.4	20.2	17.8	37.2	20.8	9.2	19.7	23.3	13.5
Other	1.7	2.1	6.0	1.5	0.2	0.1	0.5	0.1	8.1	0.0	0.6
Time Not Worked	150.0	254.3	152.0	109.6	105.0	158.1	68.4	138.4	232.2	146.4	155.8
Payments for Holidays	34.9	66.5	38.0	32.8	26.8	47.5	0.8	33.0	63.7	37.5	38.9
Paid Breaks, etc.	23.2	32.0	46.7	20.3	30.4	32.5	1.4	41.3	47.1	18.8	17.3
Sick Leave Pay	4.6	7.6	2.7	7.4	6.2	3.2	0.3	8.6	14.6	1.7	6.4
Payments for Vacations	57.6	25.3	54.0	48.1	35.6	71.7	65.3	48.1	105.1	84.2	75.8
Paid Time Off	26.4	122.8	3.9	0.5	5.0	1.1	0.0	4.1	0.0	1.4	4.7
Family and Medical Leave Pay	0.5	0.0	0.5	0.1	0.1	0.0	0.1	2.3	0.0	0.0	2.7
Other	2.7	0.1	6.2	0.6	0.7	2.2	0.6	1.0	1.8	2.8	10.0
Medical	161.3	113.7	132.4	154.5	87.2	249.8	182.3	117.6	187.2	153.3	164.3
STD, Sickness or Accident Insurance	6.0	2.3	3.3	7.7	0.7	5.5	10.2	4.7	4.9	3.3	6.7
LTD or Wage Continuation	6.9	3.2	1.6	3.0	0.0	6.7	15.0	3.1	7.6	2.3	4.7
Medical Insurance Premiums	114.2	79.4	114.4	129.6	80.3	145.1	117.0	99.8	157.9	134.8	124.9
Dental Insurance Premiums	8.3	12.0	4.6	6.2	2.1	13.7	7.6	1.2	9.1	3.1	7.5
Vision Care	0.4	1.5	0.1	0.0	1.1	0.0	0.0	0.0	0.0	0.0	0.1
Retiree Medical Insurance Premiums	4.9	0.0	0.0	1.0	2.8	34.0	0.4	0.0	3.1	0.0	6.4
Prescription Drug Coverage	12.0	10.9	1.7	0.5	0.0	38.7	14.5	4.9	0.0	6.3	8.7
Other	0.1	0.0	0.1	0.0	0.0	0.1	0.0	1.2	0.0	0.0	0.0
Administration Costs	8.5	4.6	6.5	6.4	0.3	5.9	17.6	2.7	4.6	3.5	5.4
Life Insurance and Death	6.0	5.0	3.7	6.3	2.0	9.6	5.4	10.5	13.0	4.2	5.3
Retirement and Savings	97.0	148.1	36.1	57.2	95.8	230.9	49.8	41.4	151.5	54.6	80.4
Defined Benefit Pension Plan	21.6	15.2	2.0	15.3	0.0	130.4	1.7	0.0	43.6	0.0	10.0
Cash Balance or Other Hybrid Plan	1.1	0.0	0.0	0.1	0.0	0.0	0.0	12.3	0.0	9.9	3.3
401K and similar	28.8	35.5	16.4	27.9	0.0	55.2	12.1	17.6	57.9	24.5	41.4
Profit-Sharing	42.1	96.4	11.6	10.0	95.5	42.6	33.0	9.6	26.4	17.8	23.5
Stock Bonus/ESOP	0.2	0.0	1.6	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Non-Qualified Deferred Compensation	0.5	0.0	0.0	0.0	0.0	0.0	0.1	0.2	9.3	0.0	0.6
Other	0.3	0.0	0.2	0.4	0.2	0.0	0.0	0.0	5.4	0.0	0.0
Administration Costs	2.6	0.9	4.3	3.4	0.2	2.7	2.8	1.6	8.9	2.4	1.6
Miscellaneous Benefit Pay	13.8	23.5	7.0	1.2	0.7	39.0	9.6	7.8	9.4	3.7	5.3
Severance Pay	5.8	0.6	1.3	0.2	0.0	35.3	4.8	2.1	4.8	0.1	1.5
Child Care	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Employee Education Expenditures	7.5	20.9	5.7	1.1	0.3	3.4	4.8	5.7	4.6	2.8	3.6
Discounts	0.5	2.1	0.0	0.0	0.5	0.3	0.0	0.0	0.0	0.8	0.2

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Table 13. Employee Benefits as Cents Per Hour by Non-Manufacturing Industry Group

Type of Benefit	Total, All Non-Manufacturing	Retail Trade	Health Care (including hospitals)	Food and Lodging (e.g., motels and restaurants	Wholesale Trade	Finance and Insurance	Construction	Professional, Scientific, and Technical Services (e.g., consulting, legal, accounting, and networking services)	Information (e.g., data processing, information services, and publishing)	Transportation, Distribution, and Warehousing	Social Assistance (including social welfare organizations)	Public Utilities	Educational Services	Other Non-Manufacturing Industries (including Support and Management companies)
Number Reporting	246	29	63	8	9	33	16	21	6	8	12	11	16	14
Total Benefits as Cents per Hour	696.9¢	303.2¢	500.8¢	283.4¢	499.3¢	755.5¢	277.7¢	915.1¢	570.9¢	859.5¢	407.4¢	1739.2¢	557.8¢	487.7¢
Legally-Required	158.9	140.9	127.5	132.2	172.6	171.5	129.8	205.3	162.6	193.6	142.3	317.9	117.9	160.3
Federally-Required Payroll Taxes	129.5	112.9	108.5	87.7	121.1	155.1	77.1	192.2	139.8	136.9	104.5	229.8	105.6	119.1
Unemployment Compensation	5.4	10.7	2.8	19.2	10.8	8.3	18.4	4.9	19.6	7.2	4.5	6.5	1.9	19.9
Workers' Compensation Insurance	22.9	14.0	15.4	23.4	37.6	7.5	34.3	7.9	3.2	47.4	20.4	80.2	10.1	18.0
Other	1.1	3.3	0.8	2.0	3.0	0.6	0.0	0.3	0.0	2.0	12.8	1.4	0.3	3.3
Time Not Worked	209.2	58.9	171.5	63.3	71.1	224.3	40.8	307.5	152.5	171.9	117.4	513.7	203.3	136.9
Payments for Holidays	45.0	9.8	24.0	14.1	17.3	54.6	7.1	83.0	24.3	7.2	24.5	84.3	72.4	40.8
Paid Breaks, etc.	15.3	5.4	37.9	8.9	17.9	22.5	10.5	2.6	2.7	1.7	6.4	6.2	1.3	8.2
Sick Leave Pay	37.0	2.7	15.5	3.2	9.0	18.4	0.8	43.7	14.8	62.7	12.0	111.9	44.4	1.6
Payments for Vacations	79.6	19.6	42.1	27.1	23.6	59.4	16.5	166.3	65.9	98.3	37.2	239.9	85.0	14.6
Paid Time Off	23.9	20.6	44.7	10.0	0.0	67.3	5.8	10.4	41.0	0.0	34.3	0.6	0.1	70.9
Family and Medical Leave Pay	0.2	0.0	0.4	0.0	0.0	0.3	0.0	0.5	1.6	0.0	2.1	0.0	0.0	0.0
Other	8.2	0.7	6.9	0.0	3.3	1.8	0.0	1.0	2.2	2.0	1.0	70.9	0.2	0.8
Medical	180.1	76.8	129.1	65.4	135.3	160.6	69.1	193.4	163.5	188.0	103.5	528.6	156.7	133.8
Short-term Disability	10.4	0.4	1.2	0.9	4.6	9.2	0.4	0.4	11.1	0.1	8.4	104.2	0.0	5.1
LTD or Wage Continuation	6.0	0.7	4.6	0.3	3.0	6.3	0.5	7.4	3.0	3.4	3.2	13.5	7.3	5.1
Medical Insurance Premiums	137.4	74.0	113.3	57.3	100.3	121.3	51.6	152.3	138.5	167.1	88.1	234.0	145.5	78.3
Dental Insurance Premiums	7.7	0.8	5.4	0.7	13.0	6.6	1.4	10.7	6.5	15.7	1.8	30.2	0.4	9.2
Vision Care	0.3	0.0	0.2	0.0	1.1	0.2	0.1	1.2	0.5	0.0	0.0	2.1	0.0	1.3
Retiree Medical Insurance Premiums	10.1	0.3	0.1	0.0	0.0	9.2	0.0	20.6	0.0	0.0	0.0	101.8	0.1	5.7
Prescription Drug Coverage	4.5	0.0	1.5	0.0	11.2	1.0	1.0	0.0	0.0	0.0	0.0	39.3	0.3	20.0
Other	1.0	0.0	0.5	0.0	0.0	0.2	12.6	0.7	0.0	0.0	0.0	1.0	2.2	1.1
Administration Costs	2.6	0.5	2.3	6.3	2.2	6.8	1.4	0.2	3.9	1.7	2.1	2.4	0.9	8.0
Life Insurance	3.7	1.5	2.6	1.8	3.4	8.7	0.8	11.3	5.5	2.0	3.2	4.2	2.3	9.5
Retirement and Savings	137.2	20.5	60.3	12.8	109.5	178.6	29.9	189.1	67.0	303.9	39.1	342.5	76.6	43.9
Defined Benefit Pension Plan	43.1	0.0	33.0	0.9	0.0	77.2	15.2	0.0	15.5	0.2	1.3	267.5	5.4	2.2
Cash Balance or Other Hybrid Plan	3.7	0.0	2.3	0.0	0.0	21.6	1.4	0.0	0.0	0.0	0.0	0.0	0.0	0.0
401K and similar	30.0	13.6	16.6	11.1	5.1	55.3	4.4	12.1	47.6	82.2	12.1	65.1	1.8	28.7
Profit-Sharing	25.1	2.4	1.4	0.0	102.5	12.6	8.0	0.2	0.0	154.5	22.8	0.0	0.0	0.0
Stock Bonus/ESOP	1.3	2.6	1.1	0.0	0.0	2.1	0.4	25.3	0.8	0.0	0.0	0.4	0.0	8.7
Non-Qualified Deferred Compensation	8.6	0.0	0.3	0.0	0.0	5.7	0.0	0.0	1.5	60.3	0.0	1.2	0.0	0.3
Other	24.1	1.1	4.5	0.0	1.5	0.6	0.0	151.0	0.0	5.6	2.3	7.6	69.3	0.0
Administration Costs	1.2	0.8	1.2	0.7	0.4	3.4	0.6	0.5	1.6	1.2	0.5	0.7	0.0	4.0
Miscellaneous Benefit Pay	7.9	4.7	9.8	7.9	7.4	11.8	7.3	8.5	19.8	0.0	2.0	32.2	1.0	3.2
Severance Pay	3.6	0.4	2.8	3.6	0.0	5.7	0.2	2.5	5.0	0.0	0.5	23.0	0.1	1.3
Child Care	0.2	0.0	0.4	0.0	0.0	0.2	0.0	0.0	0.0	0.0	0.1	0.3	0.0	0.0
Employee Education Expenditures	3.3	2.0	5.9	3.2	1.6	2.9	4.1	6.0	14.4	0.0	1.3	8.9	0.9	1.3
Discounts	0.9	2.2	0.7	1.1	5.8	3.0	3.0	0.0	0.4	0.0	0.0	0.0	0.0	0.7

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Table 14. Employee Benefits as Percent of Payroll by Manufacturing Industry Group

Type of Benefit	Total, All Manufacturing	Computer, Electronic, and Electrical Equipment, Products, and Components	Fabricated Metal Products	Pulp, Paper, Lumber and Furniture	Food, Beverage, and Tobacco	Machinery	Textile and Apparel	Rubber, Leather, Plastic, and Allied Products	Chemicals (including pharmaceutical companies	Printing (including related support activities)	Other Manufacturing Industries (including Transportation Equipment)
Total Number of Companies Reporting	132	14	31	20	6	11	5	9	8	6	22
Total Benefits as a Percent of Payroll	36.7%	36.6%	34.5%	32.5%	31.5%	44.9%	39.0%	32.5%	39.7%	28.9%	31.3%
Legally-Required	9.9	9.0	11.3	9.7	10.0	10.1	10.9	8.8	9.5	8.8	9.0
Federally-Required Payroll Taxes	7.5	7.7	7.6	7.2	7.5	7.5	7.6	7.4	7.3	7.1	7.0
Unemployment Compensation	0.9	0.8	1.0	0.8	0.8	0.6	1.3	0.7	0.6	0.5	1.0
Workers' Compensation Insurance	1.4	0.3	2.3	1.7	1.6	2.0	1.9	0.8	1.2	1.2	0.9
Other	0.1	0.2	0.5	0.1	0.0	0.0	0.0	0.0	0.4	0.0	0.1
Time Not Worked	9.0	12.8	10.5	7.6	8.4	8.2	6.2	10.7	11.8	8.1	8.2
Payments for Holidays	2.0	3.3	2.6	2.2	2.2	2.5	0.1	2.5	3.3	1.9	2.0
Paid Breaks, etc.	1.4	1.7	3.3	1.7	2.3	1.7	0.1	3.3	2.3	1.3	1.1
Sick Leave Pay	0.3	0.4	0.2	0.5	0.5	0.2	0.0	0.8	0.8	0.2	0.3
Payments for Vacations	3.8	1.4	3.6	3.1	2.8	3.6	5.8	3.6	5.3	4.5	3.9
Paid Time Off	1.3	6.0	0.3	0.1	0.6	0.1	0.0	0.3	0.0	0.1	0.3
Family and Medical Leave Pay	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.2	0.0	0.0	0.1
Other	0.2	0.0	0.5	0.0	0.1	0.1	0.1	0.1	0.1	0.1	0.5
Medical	11.0	6.2	9.5	10.9	7.2	13.1	16.2	9.0	9.4	8.6	9.4
STD, Sickness or Accident Insurance	0.4	0.1	0.3	0.5	0.1	0.3	0.9	0.4	0.2	0.2	0.4
LTD or Wage Continuation	0.5	0.2	0.1	0.2	0.0	0.3	1.3	0.2	0.4	0.1	0.2
Medical Insurance Premiums	7.9	4.5	8.1	9.4	6.5	8.1	10.5	7.6	8.0	7.6	7.4
Dental Insurance Premiums	0.5	0.6	0.4	0.3	0.1	0.6	0.7	0.1	0.4	0.1	0.3
Vision Care	0.0	0.1	0.0	0.0	0.1	0.0	0.0	0.0	0.0	0.0	0.0
Retiree Medical Insurance Premiums	0.2	0.0	0.0	0.0	0.3	1.6	0.0	0.0	0.2	0.0	0.3
Prescription Drug Coverage	0.7	0.5	0.1	0.0	0.0	1.8	1.3	0.4	0.0	0.4	0.4
Other	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.1	0.0	0.0	0.0
Administration Costs	0.6	0.2	0.4	0.4	0.0	0.4	1.5	0.3	0.2	0.2	0.3
Life Insurance and Death	0.4	0.3	0.3	0.4	0.2	0.5	0.5	0.8	0.6	0.2	0.3
Retirement and Savings	5.5	7.3	2.5	3.7	5.7	11.1	4.4	2.7	7.8	2.9	4.2
Defined Benefit Pension Plan	1.0	0.7	0.1	0.9	0.0	6.0	0.2	0.0	2.0	0.0	0.5
Cash Balance or Other Hybrid Plan	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.8	0.0	0.4	0.2
401K and similar	1.7	1.7	1.2	1.8	0.0	2.9	1.1	1.3	3.6	1.4	2.1
Profit-Sharing	2.5	4.9	0.7	0.8	5.7	2.0	2.9	0.5	1.2	0.9	1.3
Stock Bonus/ESOP	0.0	0.0	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Non-Qualified Deferred Compensation	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.4	0.0	0.0
Other	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.2	0.0	0.0
Administration Costs	0.1	0.0	0.3	0.2	0.0	0.1	0.2	0.1	0.4	0.1	0.1
Miscellaneous Benefit Pay	0.8	1.2	0.5	0.1	0.1	1.9	0.8	0.5	0.5	0.3	0.3
Severance Pay	0.3	0.1	0.1	0.0	0.0	1.6	0.4	0.2	0.2	0.0	0.1
Child Care	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Employee Education Expenditures	0.4	1.0	0.4	0.1	0.0	0.2	0.4	0.4	0.3	0.2	0.2
Discounts	0.0	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.1	0.0

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Table 15. Employee Benefits as Percent of Payroll by Non-Manufacturing Industry Group

Type of Benefit	Total, All Non-Manufacturing	Retail Trade	Health Care (including hospitals)	Food and Lodging (e.g., motels and restaurants	Wholesale Trade	Finance and Insurance	Construction	Professional, Scientific, and Technical Services (e.g., consulting, legal, accounting, and networking services)	Information (e.g., data processing, information services, and publishing)	Transportation, Distribution, and Warehousing	Social Assistance (including social welfare organizations)	Public Utilities	Educational Services	Other Non-Manufacturing Industries (including Support and Management companies
Number Reporting	254	30	65	9	10	33	16	21	6	8	13	13	16	14
Total Benefits as a Percent of Payroll	36.8%	20.4%	31.7%	24.2%	30.3%	33.9%	25.2%	32.9%	30.6%	47.9%	30.1%	51.9%	37.4%	27.4%
Legally-Required	8.9	9.2	8.7	11.3	10.5	7.9	12.4	7.5	8.4	10.8	10.3	9.7	7.9	10.7
Federally-Required Payroll Taxes	7.2	7.3	7.3	7.5	7.4	7.1	6.7	7.0	7.2	7.6	7.6	7.1	7.1	7.3
Unemployment Compensation	0.3	0.7	0.2	1.4	0.7	0.4	2.0	0.2	1.1	0.4	0.4	0.2	0.1	1.4
Workers' Compensation Insurance	1.3	1.0	1.3	2.2	2.2	0.4	3.6	0.3	0.2	2.6	1.5	2.4	0.7	1.7
Other	0.1	0.2	0.1	0.1	0.2	0.0	0.0	0.0	0.0	0.1	0.9	0.0	0.0	0.3
Time Not Worked	11.1	4.2	10.7	5.3	4.3	10.0	2.8	11.1	8.1	9.6	8.4	15.6	13.7	6.5
Payments for Holidays	2.5	0.8	1.5	1.0	1.0	2.4	0.6	3.0	1.1	0.4	1.6	2.6	4.9	1.8
Paid Breaks, etc.	0.9	0.4	2.4	0.7	1.0	1.0	0.9	0.1	0.1	0.1	0.5	0.3	0.1	0.6
Sick Leave Pay	2.0	0.2	1.0	0.2	0.5	0.9	0.1	1.5	0.8	3.5	0.9	3.3	3.0	0.2
Payments for Vacations	4.2	1.4	2.8	2.0	1.4	2.7	1.0	5.9	3.8	5.5	2.5	7.2	5.7	1.4
Paid Time Off	1.2	1.3	2.7	1.3	0.0	2.9	0.2	0.4	2.0	0.0	2.7	0.0	0.0	2.5
Family and Medical Leave Pay	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.1	0.0	0.1	0.0	0.0	0.0
Other	0.3	0.1	0.4	0.0	0.3	0.1	0.0	0.0	0.1	0.1	0.1	2.1	0.0	0.1
Medical	9.4	5.1	7.9	5.7	8.4	7.3	7.0	7.0	9.0	10.5	8.0	15.7	10.4	7.5
Short-term Disability	0.3	0.0	0.1	0.1	0.3	0.4	0.0	0.0	0.6	0.0	0.5	2.9	0.0	0.2
LTD or Wage Continuation	0.3	0.0	0.3	0.0	0.2	0.3	0.0	0.2	0.1	0.2	0.2	0.4	0.5	0.2
Medical Insurance Premiums	7.7	4.9	7.0	4.8	6.3	5.6	5.2	5.6	7.7	9.4	6.8	7.3	9.7	5.2
Dental Insurance Premiums	0.4	0.1	0.3	0.1	0.7	0.3	0.1	0.4	0.4	0.9	0.2	0.9	0.0	0.5
Vision Care	0.0	0.0	0.0	0.0	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.1	0.0	0.0
Retiree Medical Insurance Premiums	0.3	0.0	0.0	0.0	0.0	0.4	0.0	0.7	0.0	0.0	0.0	3.0	0.0	0.2
Prescription Drug Coverage	0.2	0.0	0.1	0.0	0.6	0.0	0.0	0.0	0.0	0.0	0.0	1.1	0.0	0.7
Other	0.1	0.0	0.0	0.0	0.0	0.0	1.5	0.0	0.0	0.0	0.0	0.0	0.1	0.1
Administration Costs	0.1	0.0	0.2	0.7	0.2	0.3	0.1	0.0	0.1	0.1	0.3	0.1	0.0	0.5
Life Insurance	0.2	0.1	0.2	0.1	0.2	0.4	0.1	0.4	0.3	0.1	0.3	0.1	0.2	0.4
Retirement and Savings	6.8	1.5	3.5	1.0	6.5	7.8	2.7	6.6	3.9	16.8	2.8	10.0	5.2	2.2
Defined Benefit Pension Plan	1.7	0.0	1.9	0.1	0.0	3.2	1.8	0.0	0.9	0.0	0.1	7.7	0.3	0.1
Cash Balance or Other Hybrid Plan	0.2	0.0	0.2	0.0	0.0	0.9	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0
401K and similar	1.5	1.0	0.9	0.9	0.6	2.6	0.4	0.4	2.8	4.5	0.9	1.9	0.1	1.1
Profit-Sharing	1.4	0.2	0.1	0.0	5.7	0.5	0.4	0.0	0.0	8.5	1.5	0.0	0.0	0.0
Stock Bonus/ESOP	0.1	0.3	0.1	0.0	0.0	0.1	0.0	0.9	0.0	0.0	0.0	0.0	0.0	0.8
Non-Qualified Deferred Compensation	0.5	0.0	0.0	0.0	0.0	0.2	0.0	0.0	0.1	3.3	0.0	0.0	0.0	0.0
Other	1.5	0.0	0.2	0.0	0.1	0.0	0.0	5.2	0.0	0.4	0.2	0.2	4.8	0.0
Administration Costs	0.0	0.1	0.0	0.0	0.0	0.2	0.0	0.0	0.1	0.1	0.0	0.0	0.0	0.2
Miscellaneous Benefit Pay	0.4	0.3	0.6	0.8	0.4	0.5	0.3	0.3	0.9	0.0	0.3	0.9	0.0	0.2
Severance Pay	0.1	0.0	0.2	0.5	0.0	0.3	0.0	0.1	0.2	0.0	0.0	0.6	0.0	0.0
Child Care	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.1	0.0	0.0	0.0
Employee Education Expenditures	0.2	0.1	0.4	0.2	0.1	0.1	0.2	0.2	0.7	0.0	0.2	0.3	0.0	0.1
Discounts	0.0	0.2	0.0	0.1	0.3	0.1	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0

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Table 16. Total Employee Benefits as Annual Dollars per Employee, by Size of Company and Industry Group

(n = number of companies reporting costs in survey by industry and size)

Industry Group	Total, All Company Sizes		Size of Company: Under 100 Employees		100–499 Employees		500–999 Employees		1,000–2,499 Employees		2,500–4,999 Employees		5,000 Employees and Over	
	$	n	$	n	$	n	$	n	$	n	$	n	$	n
Total, All Industries	14,060	386	11,147	84	10,155	222	13,226	29	15,242	25	13,273	15	15,066	11
Total, Manufacturing	12,425	132	11,962	25	10,514	89	13,018	9	13,353	4	16,329	3	**	2
Computer, Electronic, and Electrical Equipment, Products and Components	15,851	14	8,116	3	11,322	8	**	1	**	1	—	—	**	1
Fabricated Metal Products	10,589	31	14,553	5	10,252	23	10,881	3	—	—	—	—	—	—
Pulp, Paper, Lumber, and Furniture	10,047	20	12,488	5	8,313	14	**	1	—	—	—	—	—	—
Food, Beverage, and Tobacco	9,014	6	**	1	9,065	5	—	—	—	—	—	—	—	—
Machinery	18,304	11	10,776	4	16,122	5	—	—	—	—	**	2	—	—
Textile and Apparel	9,094	5	—	—	5,534	4	—	—	—	—	—	—	**	1
Rubber, Leather, Plastic and Allied Products	8,968	9	—	—	9,368	8	—	—	**	1	—	—	—	—
Chemicals (including pharmaceutical companies)	17,317	8	12,063	3	16,732	4	—	—	**	1	—	—	—	—
Printing (including related support activities)	11,032	6	—	—	11,032	6	—	—	—	—	—	—	—	—
Other Manufacturing Industries (including Transportation Equipment)	12,100	22	12,501	4	11,319	12	15,104	4	**	1	**	1	—	—
Total, Non-Manufacturing	14,499	253	10,463	58	9,892	133	13,334	20	15,600	21	12,341	12	15,586	9
Retail Trade	6,569	30	7,410	13	6,131	16	—	—	—	—	**	1	—	—
Health Care (including hospitals)	10,703	65	**	2	8,270	40	12,464	4	14,365	10	10,223	6	9,601	3
Food and Lodging (e.g., motels, restaurants)	5,695	9	—	—	4,376	6	**	2	**	1	—	—	—	—
Wholesale Trade	10,176	10	**	2	7,931	5	**	1	**	1	—	—	**	1
Finance and Insurance	15,276	33	15,655	5	14,412	15	16,119	5	**	2	11,425	4	**	2
Construction	5,857	16	7,741	5	6,606	10	**	1	—	—	—	—	—	—
Professional, Scientific, and Technical Services (e.g., consulting, legal, accounting, and network services)	19,027	21	12,077	12	12,389	7	**	1	**	1	—	—	—	—
Information (e.g., data processing, information services, and publishing)	11,876	6	**	1	11,286	5	—	—	—	—	—	—	—	—
Transportation, Distribution and Warehousing	17,891	8	**	1	10,448	5	**	1	—	—	—	—	**	1
Social Assistance (including social welfare organizations)	8,076	12	8,645	3	7,508	8	**	1	—	—	—	—	—	—
Public Utilities	35,084	13	22,870	3	21,324	6	—	—	**	2	**	1	**	1
Educational Services	11,601	16	9,792	6	12,086	5	**	2	**	2	—	—	**	1
Other Non-Manufacturing Industries (including Support and Management Services)	10,222	14	5,286	5	6,349	5	**	2	**	2	—	—	—	—

*In categories where fewer than three firms report, data is not shown separately; however, totals reflect all data.

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Table 17. Total Employee Benefits as Percent of Payroll, by Size of Company and Industry Group

(n = number of companies reporting costs in survey by industry and size)

Industry Group	Total, All Company Sizes		Size of Company: Under 100 Employees		100–499 Employees		500–999 Employees		1,000–2,499 Employees		2,500–4,999 Employees		5,000 Employees and Over	
	%	n	%	n	%	n	%	n	%	n	%	n	%	n
Total, All Industries	36.8	387	30.6	84	31.5	223	36.0	29	34.7	25	31.5	15	39.8	11
Total, Manufacturing	36.7	132	33.6	25	33.4	89	41.1	9	33.2	4	38.0	3	**	2
Computer, Electronic, and Electrical Equipment, Products and Components	36.6	14	28.4	3	36.2	8	**	1	**	1	—	—	**	1
Fabricated Metal Products	34.5	31	31.6	5	30.7	23	45.3	3	—	—	—	—	—	—
Pulp, Paper, Lumber, and Furniture	32.5	20	37.4	5	31.4	14	**	1	—	—	—	—	—	—
Food, Beverage, and Tobacco	31.5	6	**	1	31.6	5	—	—	—	—	—	—	—	—
Machinery	44.9	11	30.6	4	40.4	5	—	—	—	—	**	2	—	—
Textile and Apparel	39.0	5	—	—	37.8	4	—	—	—	—	—	—	**	1
Rubber, Leather, Plastic and Allied Products	32.5	9	—	—	32.6	8	—	—	**	1	—	—	—	—
Chemicals (including pharmaceutical companies)	39.7	8	32.2	3	43.7	4	—	—	**	1	—	—	—	—
Printing (including related support activities)	28.9	6	—	—	28.9	6	—	—	—	—	—	—	—	—
Other Manufacturing Industries (including Transportation Equipment)	31.3	22	39.3	4	34.1	12	39.7	4	**	1	**	1	—	—
Total, Non-Manufacturing	36.8	254	28.1	58	30.1	134	33.3	20	34.9	21	29.5	12	40.1	9
Retail Trade	20.4	30	24.2	13	19.1	16	—	—	—	—	**	1	—	—
Health Care (including hospitals)	31.7	65	**	2	29.2	40	30.2	4	35.1	10	30.4	6	31.4	3
Food and Lodging (e.g., motels, restaurants)	24.2	9	—	—	26.4	6	**	2	**	1	—	—	—	—
Wholesale Trade	30.3	10	**	2	30.8	5	**	1	**	1	—	—	**	1
Finance and Insurance	33.9	33	35.1	5	39.1	15	34.1	5	**	2	27.7	4	**	2
Construction	25.2	16	25.9	5	23.5	10	**	1	—	—	—	—	—	—
Professional, Scientific, and Technical Services (e.g., consulting, legal, accounting, and network services)	32.9	21	28.8	12	24.1	7	**	1	**	1	—	—	—	—
Information (e.g., data processing, information services, and publishing)	30.6	6	**	1	31.2	5	—	—	—	—	—	—	—	—
Transportation, Distribution and Warehousing	47.9	8	**	1	33.3	5	**	1	—	—	—	—	**	1
Social Assistance (including social welfare organizations)	30.1	13	38.6	3	28.6	9	**	1	—	—	—	—	—	—
Public Utilities	51.9	13	48.4	3	43.0	6	—	—	**	2	**	1	**	1
Educational Services	37.4	16	25.9	6	35.7	5	**	2	**	2	—	—	**	1
Other Non-Manufacturing Industries (including Support and Management Services)	27.4	14	22.0	5	26.9	5	**	2	**	2	—	—	—	—

*In categories where fewer than three firms report, data is not shown separately; however, totals reflect all data.

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Table 18. Employee Payroll Deductions as a Percent of Payroll by Industry Group

Industry Group	Total %*	Federally-required payroll taxes	Medical, and Medically-Related Benefits Payments	Life Insurance Premiums	Retirement and Savings Plan Payments	Total Annual Dollars Per Employee ($)**
Total, All Companies	12.0%	7.2%	1.6%	0.0%	3.1%	$ 4,572
Total, Manufacturing	14.7	7.4	2.3	0.0	4.9	5,015
Computer, Electronic, and Electrical Equipment, Products and Components	15.7	7.6	1.8	0.0	6.1	6,946
Fabricated Metal Products	11.6	7.5	1.1	0.0	2.9	3,528
Pulp, Paper, Lumber, and Furniture	13.0	7.2	1.5	0.0	4.3	3,966
Food, Beverage, and Tobacco	14.2	7.5	2.4	0.0	4.2	3,417
Machinery	17.3	7.6	2.8	0.0	6.9	6,755
Textile and Apparel	15.7	7.6	3.4	0.0	4.6	3,671
Rubber, Leather, Plastic and Allied Products	12.5	7.4	1.7	0.0	3.5	3,488
Chemicals (including pharmaceutical companies)	15.8	7.3	2.6	0.0	5.8	6,869
Printing (including related support activities)	13.5	7.1	2.6	0.0	3.8	5,222
Other Manufacturing Industries (including Transportation Equipment)	12.8	6.6	1.9	0.0	4.3	5,175
Total, Non-Manufacturing	11.2	7.2	1.4	0.0	2.6	4,452
Retail Trade	14.1	7.1	3.3	0.0	3.6	4,527
Health Care (including hospitals)	11.5	7.0	2.5	0.0	2.0	3,829
Food and Lodging (e.g., motels, restaurants)	13.5	7.5	2.1	0.0	2.9	3,128
Wholesale Trade	11.3	7.6	1.9	0.0	1.7	3,844
Finance and Insurance	11.5	7.1	1.7	0.0	2.6	5,051
Construction	12.3	6.7	1.0	0.0	4.6	3,194
Professional, Scientific, and Technical Services (e.g., consulting, legal, accounting, and network services)	10.9	7.3	1.4	0.0	2.0	6,324
Information (e.g., data processing, information services, and publishing)	13.8	7.2	2.3	0.0	4.3	5,539
Transportation, Distribution and Warehousing	14.4	7.6	0.7	0.0	6.1	5,403
Social Assistance (including social welfare organizations)	11.2	7.5	2.0	0.0	1.6	3,096
Public Utilities	15.7	7.1	2.0	0.0	6.6	10,631
Educational Services	7.4	7.1	0.1	0.0	0.1	2,298
Other Non-Manufacturing Industries (including Support and Management Services)	15.3	7.4	2.6	0.0	5.1	5,945

*For number of responding companies for percentage of payroll amounts, see Table 21.

**For number of responding companies for annual dollar amounts, see Table 20.

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PAID TIME OFF BENEFITS

Paid time off, which is offered by 97% of participating companies, is the most frequently offered benefit among respondents. Payments for time not worked (i.e., vacation, sick leave, holidays, and paid breaks) average 10.7% of payroll, accounting for over one-quarter of all benefit costs. This section provides a summary of paid time off benefit practices at participating companies.

Paid Holidays

More than nine out of ten participating companies (95%) provide paid holiday benefits. Participating firms recognized an average of 8.4 paid holidays (e.g., 4th of July) in 1999. Manufacturing companies averaged 9.1 recognized holidays while non-manufacturing companies averaged 8.1 holidays. Smaller firms recognized fewer paid holidays than larger firms.

Average Number of Paid Holidays Recognized in 1999 by Participating Firms

	By Industry		By Number of Employees					
All Companies	Non-Manufacturing	Manufacturing	1–99	100–499	500–999	1000–2499	2500–4999	5000 plus
8.4 days	8.1 days	9.1 days	8.4 days	8.2 days	9.2 days	9.0 days	9.4 days	8.7 days

Paid Time Off

Type of Paid Time Off Plan Among Companies Offering Vacation Benefits

	By Industry		By Number of Employees					
	Non-Manufacturing	Manufacturing	1–99	100–499	500–999	1000–2499	2500–4999	5000 plus
Traditional vacation plan	83%	98%	95%	87%	87%	85%	79%	80%
Paid days off plan	17%	2%	5%	13%	13%	15%	21%	20%

"Paid Day Off" Plans

One in ten participating companies (11%) provide paid time off benefits to employees as a hybrid "Paid Day Off" account. Typically, such plans provide employees a set amount of days that employees may utilize for vacation, personal, and/or sick leave. Among participants, Paid Day Off plans are more common among non-manufacturing companies and larger employers. In general, most companies base the number of paid days off provided to each employee on tenure with the company. On average, an employee with one year of service is provided 18 days of paid time off as compared to 26 paid days off for an employee with 10 years of service. Most companies (87%) offering Paid Day Off accounts allow employees to carry unused days over to the next year, either in entirety or up to a maximum number of carried over days. For those with a maximum, 38 days was the average carry over maximum.

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Average Number of Paid Days Off Provided by Tenure Among Participating Companies Providing Paid Days Off Plans

	Years of Service				
	1 year	5 years	10 years	15 years	20 years
Average Number of Paid Days Off Provided	18.3	23.2	26.4	28.5	29.1

Traditional Vacation & Sick Leave Plans

Four out of five participating companies provide vacation benefits as a separate classification. In general, most companies base the number of vacation days provided to each employee on tenure with the company. On average, an employee with one year of service is provided 8 days of paid vacation as compared to 16 paid vacation days for an employee with 10 years of service. Among participants, non-manufacturing and larger companies provided a higher average number of vacation days.

Average Number of Vacation Days Provided Among Participating Firms by Tenure

		By Industry		By Number of Employees					
	All Companies	Non-Manufacturing	Manufacturing	1–99	100–499	500–999	1000–2499	2500–4999	5000 plus
1 year of service	8.0	8.3	7.4	7.2	7.8	8.5	10.7	8.9	9.9
5 years	12.9	13.3	12.2	12.3	12.7	13.2	15.1	13.9	14.3
10 years	16.2	16.5	15.7	15.2	16.3	16.2	17.9	16.6	17.4
15 years	18.2	18.4	17.9	16.8	18.2	18.6	20.7	19.9	19.9
20 years	19.5	19.4	19.8	17.9	19.5	20.2	21.8	21.5	22.1

Nearly four out of five companies (78%) that provide traditional vacation benefits also provide sick leave benefits. On average, employees accrue 8 sick days per year at participating companies. Sick leave accrual averaged higher at non-manufacturing and larger firms. Three out of ten (31%) companies offering sick leave allow sick days to carry over to the following year.

Average Number of Annual Sick Days Provided Among Participating Firms

	By Industry		By Number of Employees					
All Companies	Non-Manufacturing	Manufacturing	1–99	100–499	500–999	1000–2499	2500–4999	5000 plus
7.95	8.7	5.8	7.7	7.6	8.7	9.4	9.4	8.9

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Discussion of Health Care Benefit Practices

The vast majority of participating companies (97%) provide health plan benefits to employees. Four out of five companies (84%) require a waiting period for health insurance coverage. Overall, the waiting period for coverage is three months or less on average, regardless of company size and industry. However, the specific type and coverage of health plan benefits vary from company to company. This section provides an overview of the health plan benefits as well as a discussion of health plan costs.

Type of Health Plan

Although the specific details of health plans vary considerably, health plans can be grouped into four basic plan types: Preferred Provider Organization (PPO), Health Maintenance Organization (HMO), Point of Service (POS), and Indemnity. The most common type of health plan among participating companies are Preferred Provider Organization (PPO) health plans, offered by 59% of participating companies. Nearly half (49%) of participating companies offer an HMO plan, while Point of Service (21%) and Indemnity (15%) plans are much less common. Four out of ten (39%) participating companies offer more than one type of health plan. In general, companies with less than 100 employees are proportionately less likely to offer HMO, POS, and Indemnity plans than are larger companies. Point of service plans are most commonly found in the very largest participating companies, of which 55% offer a POS plan.

Type of Health Plan by Industry

	All Companies	Non-Manufacturing	Manufacturing
PPO health insurance plan	59%	61%	57%
HMO plan	49%	49%	48%
Point of service plan	21%	20%	25%
Indemnity health insurance plan	15%	14%	17%

Type of Health Plan by Number of Employees

	1–99	100–499	500–999	1000–2499	2500–4999	5000 plus
PPO health insurance plan	50%	55%	85%	72%	84%	85%
HMO Plan	32%	51%	41%	64%	79%	75%
Point of service plan	15%	20%	28%	33%	16%	55%
Indemnity health insurance plan	8%	12%	21%	42%	21%	35%

Key Aspects of Coverage

In addition to major medical insurance, approximately four out of five participating companies provide dental insurance (83%) and/or prescription drug coverage (83%). Approximately half provide coverage for alcohol and drug abuse treatment (53%); Chiropractic Care (49%); and/or Vision Care (45%). About four out of ten provide medical health coverage on a parity basis to physical health benefits (42%) and medical spending reimbursement accounts (37%). Less common are retiree health insurance (27%); coverage for retirees under the age of 65 years old (17%); long term care insurance (9%); coverage for unmarried domestic partners (6%); and/or alternative forms of medical care such as homeopathy (4%).

In general, larger companies are more likely to offer health plans that cover the broadest range of benefits. However, it is interesting to note that the largest participating companies are less likely to provide coverage for unmarried

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domestic partners as well as alternative forms of medical care. In terms of industry, a noticeably larger percentage of participating manufacturing firms offer prescription drug benefits, alcohol and drug abuse treatment, chiropractic care, and mental health coverage on a parity basis. On the contrary, a larger percentage of non-manufacturing companies provide medical spending or reimbursement accounts, coverage for unmarried domestic partners, and coverage for alternative forms of medical care.

Key Aspects of Health Plan Coverage by Industry

	All Companies	Non-Manufacturing	Manufacturing
Dental Insurance	83%	83%	84%
Prescription drug coverage	83%	80%	89%
Alcohol and drug abuse treatment	53%	50%	61%
Chiropractic Care	49%	46%	55%
Vision Care	45%	44%	46%
Mental health coverage on a parity basis to physical health benefits	42%	39%	49%
Medical spending or reimbursement accounts	37%	39%	33%
Retiree Health Insurance	27%	27%	27%
Coverage for retirees under 65	17%	17%	16%
Long term care insurance	9%	9%	9%
Coverage for unmarried domestic partners	6%	8%	2%
Alternative forms of medical care (e.g., homeopathy, herbal therapies)	4%	5%	3%
Medical savings account	0.9%	0.3%	2%

Key Aspects of Health Plan Coverage by Number of Employees

	1–99	100–499	500–999	1000–2499	2500–4999	5000 plus
Prescription drug coverage	78%	83%	90%	86%	95%	95%
Dental Insurance	60%	88%	90%	94%	100%	100%
Alcohol and drug abuse treatment	41%	51%	56%	81%	79%	85%
Chiropractic Care	39%	47%	62%	69%	63%	75%
Vision Care	26%	49%	46%	53%	58%	60%
Mental health coverage on a parity basis	31%	44%	41%	47%	53%	60%
Medical spending or reimbursement accounts	23%	33%	59%	58%	58%	85%
Retiree Health Insurance	5%	24%	39%	64%	58%	70%
Coverage for retirees under 65	2%	12%	31%	47%	53%	55%
Long term care insurance	5%	7%	10%	22%	16%	15%
Coverage for unmarried domestic partners	4%	6%	10%	11%	11%	0%
Alternative forms of medical care	4%	4%	3%	14%	5%	0%
Medical savings account	2%	1%	0%	0%	0%	0%

Cost Control Methods

As the cost of providing health care benefits has risen, many companies and/or health plan providers have taken measures to better manage the costs associated with health care coverage. Among participating companies, mail-order pharmacy services are the most commonly used cost-control method, used by 57% of participating companies. Just over half of participating companies (52%) require pre-admission certification. Approximately four out of ten companies (39%) self-insure or fully insure at least a part of their employee health care benefits. Less common are behavioral health service manager programs (11%), pharmacy benefit managers (11%), and group purchasing arrangements

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(6%). In general, manufacturing companies are more likely to use mail-order pharmacy, pre-admission certification, and self-insurance programs than non-manufacturing companies; non-manufacturing companies are more likely to use pharmacy benefit managers and group purchasing agreements than manufacturers.

Health Care Cost Control Methods by Industry

	All Companies	Non-Manufacturing	Manufacturing
Mail-order pharmacy	57%	54%	65%
Pre-admission certification	52%	49%	59%
Self-insure or fully insure any of your health benefits	39%	36%	46%
Behavioral health service manager	11%	11%	12%
Pharmacy benefit manager	11%	12%	9%
Participate in a group purchasing arrangement for either medical services or medical insurance with other firms in your community	6%	8%	3%

Health Care Cost Control Methods by Number of Employees

	1–99	100–499	500–999	1000–2499	2500–4999	5000 plus
Mail-order pharmacy	31%	60%	62%	78%	79%	90%
Pre-admission certification	38%	48%	72%	81%	79%	80%
Self-insure or fully insure any of your health benefits	21%	32%	69%	69%	90%	85%
Behavioral health service manager	5%	9%	23%	25%	11%	40%
Pharmacy benefit manager	4%	6%	13%	36%	26%	55%
Participate in a group purchasing arrangement for either medical services or medical insurance with other firms in your community	7%	5%	5%	14%	11%	10%

Health Insurance Premium Cost Sharing

Health insurance premiums are a considerable cost. Nevertheless, over one in ten participating companies (13%) fully cover the cost of health insurance premiums as compared to only one in one hundred (1%) in which the premium is fully paid by the covered employee. The premium expense is split between employer and covered employee for the majority of participating companies. For nearly half (49%) of participating companies, the cost of health insurance is shared proportionately, with the employer paying a set percentage of the premium cost. Just over one in five (22%) of participating employers contribute a set dollar amount toward the premium cost.

Method of Health Insurance Premium Cost Sharing by Industry

	All Companies	Non-Manufacturing	Manufacturing
Proportional Shared Costs	49%	50%	48%
Defined Dollar Contribution by the Employer	22%	22%	21%
Fully Paid by the Employer	13%	12%	16%
Fully Paid by the Employee	1%	1%	0%
Other (e.g., defined dollar contribution by employee, on an as needed basis)	15%	15%	16%

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Method of Health Insurance Premium Cost Sharing by Number of Employees

	1–99	100–499	500–999	1000–2499	2500–4999	5000 plus
Proportional Shared Costs	45%	46%	56%	66%	67%	70%
Defined Dollar Contribution by the Employer	15%	27%	14%	9%	11%	15%
Fully Paid by the Employer	25%	12%	11%	6%	0%	0%
Fully Paid by the Employee	0%	0.7%	3%	0%	0%	0%
Other (e.g., defined dollar contribution by employee, on an as needed basis)	16%	14%	17%	20%	22%	15%

In general, small companies are the most likely to fully pay the cost of the health insurance premium while larger companies are more likely to provide a proportional sharing of costs. Among participating companies, the average employer share of health insurance cost for employees is 78% of the premium cost; the average employer contribution for a single dependent is 66% of the premium cost. Average employer contribution as a percentage of premium cost is generally highest among the smallest and largest participating companies; that is, employees pay a larger percentage of the health care premium cost at participating mid-size companies.

Employer Share of Health Insurance Premium by Industry

	All Companies	Non-Manufacturing	Manufacturing
Employee	78.2%	77.4%	79.8%
Spouse	66.5%	63.1%	72.5%
Child	66.2%	62.8%	72.0%
Family	65.4%	62.8%	70.0%

Employer Share of Health Insurance Premium by Number of Employees

	Number of employees					
	1–99	100–499	500–999	1000–2499	2500–4999	5000 plus
Employee	83.7%	78.9%	71.5%	67.4%	71.4%	80.8%
Spouse	76.4%	65.6%	66.4%	54.6%	46.3%	72.6%
Child	75.9%	66.2%	66.7%	52.6%	47.3%	64.1%
Family	73.0%	63.2%	66.1%	60.6%	57.0%	75.6%

Discussion of Medical Benefit Costs

Medically related benefits accounted for more than one-quarter of all benefit costs, an average 9.7% of total gross payroll or $3,685 per employee. Employee payroll deductions for medical benefits averaged 1.6% of payroll, bringing the average total cost of medical benefits to 11.3% of payroll. Hospital, Surgical, Medical, and Major Medical insurance premiums accounted for the majority of medical benefits costs, accounting for 7.8% of payroll on average. Other medical expenses include: Short-term disability payments (0.4%), Long-term disability payments (0.4%), Dental insurance premiums (0.4%), Retiree medical insurance premiums (0.3%), Prescription drugs (0.3%), and Administrative costs (0.3%).

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Among participating companies, manufacturers spent a higher percentage of payroll on medical benefits (11.0%) than non-manufacturers (9.4%). Employee payroll deductions also averaged higher at manufacturing firms (2.3%) than at non-manufacturers (1.4%). In general, companies with 500 or more employees spent a greater portion of payroll (10.0%) on medical benefits than did companies with less than 500 employees (8.1%). Employee payroll deductions at these smaller firms also averaged higher (2.1%) as compared to firms with more than 500 employees (1.5%).

In addition, the average cost for providing medical benefits is provided below. These figures, which are based on expenditures by those companies providing the listed benefit, may be used to benchmark your actual expenditures on each type of medical benefit.

Medical Benefit Costs Among Those Companies Reporting Payments

	Average employer payment among those reporting payment			Average employee payment among those reporting payment		
	Number of companies reporting	Dollars ($) per employee	Percent (%) of payroll	Number of companies reporting	Dollars ($) per employee	Percent (%) of payroll
Hospital, surgical, medical, and major medical insurance	378	$2,784	7.8%	321	$605	1.7%
HMO Plan only	62	$2,171	6.1%	52	$606	1.9%
PPO plan only	102	$1,958	7.2%	82	$594	2.3%
Point of service plan	24	$2,707	8.8%	21	$534	1.7%
Indemnity plan only	10	$3,902	10.2%	8	$628	1.7%
Dental Insurance	151	$309	0.7%	145	$121	0.3%
Vision Care	37	$47	0.1%	26	$44	0.1%
Retiree Health Insurance	30	$952	1.6%	13	$123	0.3%
Prescription drug coverage	31	$611	1.3%	12	$74	0.3%
Health Plan Administration	136	$156	0.5%	N/A	N/A	N/A
Short-term disability	143	$514	1.0%	73	$68	0.2%
Long-term disability	201	$153	0.4%	58	$97	0.2%

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Table 19. Medical and Medically-Related Benefit Payments as Annual Dollars per Employee by Industry Group

Industry Group (# of Responding Companies)	Total Employers' Share	Short-Term Disability, Sickness or Accident Insurance (Company Plan or Insured Plan)	Long-Term Disability or Wage Continuation (Insured, Self-Administered, or Trust)	Hospital, Surgical, Medical, and Major Medical Insurance Premiums (Net)	Dental Insurance Premiums	Vision Care	Retiree Medical Insurance Premiums	Prescription Drugs	Other	Administration Costs	Total Employee Payroll Deductions for Medical and Medically-Related Benefits	Total Employers' Share Plus Employees' Payroll Deductions
Total, All Companies (386)	$3,685	$197	$130	$2,777	$164	$7	$186	$127	$17	$80	$586	$4,271
Total, Manufacturing (132)	3,425	128	145	2,432	176	8	101	253	1	181	730	4,155
Computer, Electronic, and Electrical Equipment, Products and Components (14)	2,466	51	68	1,714	257	33	0	243	0	100	746	3,212
Fabricated Metal Products (31)	2,856	71	36	2,468	98	3	0	36	2	138	322	3,178
Pulp, Paper, Lumber, and Furniture (20)	3,433	176	69	2,873	139	0	21	13	0	142	329	3,762
Food, Beverage, and Tobacco (6)	1,973	15	0	1,819	43	24	66	0	0	6	585	2,558
Machinery (11)	5,253	116	141	3,087	284	0	699	796	1	130	1,096	6,349
Textile and Apparel (5)	3,792	213	312	2,433	157	0	9	302	0	366	804	4,596
Rubber, Leather, Plastic and Allied Products (9)	2,446	96	64	2,076	25	0	0	97	25	64	496	2,942
Chemicals (including pharmaceutical companies) (8)	4,207	117	164	3,528	190	0	88	0	0	120	903	5,110
Printing (including related support activities) (6)	3,222	70	48	2,835	65	0	0	131	0	73	918	4,140
Other Manufacturing Industries (including Transportation Equipment) (22)	3,485	145	100	2,651	156	2	134	181	0	116	768	4,253
Total, Non-Manufacturing (253)	3,754	215	126	2,869	161	7	209	93	21	53	548	4,302
Retail Trade (30)	1,664	9	15	1,586	37	0	6	0	1	10	1,042	2,706
Health Care (including hospitals) (65)	2,770	27	102	2,435	113	4	2	29	9	49	758	3,528
Food and Lodging (e.g., motels, restaurants) (9)	1,294	18	5	1,137	14	0	0	0	0	120	418	1,712
Wholesale Trade (10)	2,798	102	73	2,102	246	21	0	211	0	43	596	3,394
Finance and Insurance (33)	3,248	186	126	2,457	134	4	179	19	4	138	723	3,971
Construction (16)	1,467	9	11	1,097	32	3	0	23	263	31	244	1,711
Professional, Scientific, and Technical Services (e.g., consulting, legal, accounting, and network services) (21)	4,023	8	154	3,169	222	25	427	0	14	4	809	4,832
Information (e.g., data processing, information services, and publishing) (6)	3,401	231	62	2,882	135	11	0	0	0	81	878	4,279
Transportation, Distribution and Warehousing (8)	3,914	3	70	3,478	328	0	0	0	0	35	258	4,172
Social Assistance (including social welfare organizations) (12)	2,032	163	62	1,733	36	0	0	0	0	39	507	2,539
Public Utilities (13)	10,620	2,036	276	4,791	609	40	2,029	768	20	50	1,359	11,979
Educational Services (16)	3,259	0	152	3,026	7	1	2	7	46	18	53	3,312
Other Non-Manufacturing Industries (including Support and Management Services) (14)	2,805	106	105	1,646	192	28	119	416	24	170	1,027	3,832

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Table 20. Medical and Medically-Related Benefit Payments as Percent of Payroll by Industry Group

Industry Group (# of Responding Companies)	Total Employers' Share	Short-Term Disability, Sickness or Accident Insurance (Company Plan or Insured Plan)	Long-Term Disability or Wage Continuation (Insured, Self-Administered, or Trust)	Hospital, Surgical, Medical, and Major Medical Insurance Premiums (Net)	Dental Insurance Premiums	Vision Care	Retiree Medical Insurance Premiums	Prescription Drugs	Other	Administration Costs	Total Employee Payroll Deductions for Medical and Medically-Related Benefits	Total Employers' Share Plus Employees' Payroll Deductions
Total, All Companies (387)	9.7%	0.4%	0.4%	7.8%	0.4%	0.0%	0.3%	0.3%	0.0%	0.3%	1.6%	11.3%
Total, Manufacturing (132)	11.0	0.4	0.5	7.9	0.5	0.0	0.2	0.7	0.0	0.6	2.3	13.3
Computer, Electronic, and Electrical Equipment, Products and Components (14)	6.2	0.1	0.2	4.5	0.6	0.1	0.0	0.5	0.0	0.2	1.8	8.0
Fabricated Metal Products (31)	9.5	0.3	0.1	8.1	0.4	0.0	0.0	0.1	0.0	0.4	1.1	10.6
Pulp, Paper, Lumber, and Furniture (20)	10.9	0.5	0.2	9.4	0.3	0.0	0.0	0.0	0.0	0.4	1.5	12.4
Food, Beverage, and Tobacco (6)	7.2	0.1	0.0	6.5	0.1	0.1	0.3	0.0	0.0	0.0	2.4	9.6
Machinery (11)	13.1	0.3	0.3	8.1	0.6	0.0	1.6	1.8	0.0	0.4	2.8	15.9
Textile and Apparel (5)	16.2	0.9	1.3	10.5	0.7	0.0	0.0	1.3	0.0	1.5	3.4	19.6
Rubber, Leather, Plastic and Allied Products (9)	9.0	0.4	0.2	7.6	0.1	0.0	0.0	0.4	0.1	0.3	1.7	10.7
Chemicals (including pharmaceutical companies) (8)	9.4	0.2	0.4	8.0	0.4	0.0	0.2	0.0	0.0	0.2	2.6	12.0
Printing (including related support activities) (6)	8.6	0.2	0.1	7.6	0.1	0.0	0.0	0.4	0.0	0.2	2.6	11.2
Other Manufacturing Industries (including Transportation Equipment) (22)	9.4	0.4	0.2	7.4	0.3	0.0	0.3	0.4	0.0	0.3	1.9	11.3
Total, Non-Manufacturing (254)	9.4	0.3	0.3	7.7	0.4	0.0	0.3	0.2	0.1	0.1	1.4	10.8
Retail Trade (30)	5.1	0.0	0.0	4.9	0.1	0.0	0.0	0.0	0.0	0.0	3.3	8.4
Health Care (including hospitals) (65)	7.9	0.1	0.3	7.0	0.3	0.0	0.0	0.1	0.0	0.2	2.5	10.4
Food and Lodging (e.g., motels, restaurants) (9)	5.7	0.1	0.0	4.8	0.1	0.0	0.0	0.0	0.0	0.7	2.1	7.8
Wholesale Trade (10)	8.4	0.3	0.2	6.3	0.7	0.1	0.0	0.6	0.0	0.2	1.9	10.3
Finance and Insurance (33)	7.3	0.4	0.3	5.6	0.3	0.0	0.4	0.0	0.0	0.3	1.7	9.0
Construction (16)	7.0	0.0	0.0	5.2	0.1	0.0	0.0	0.0	1.5	0.1	1.0	8.0
Professional, Scientific, and Technical Services (e.g., consulting, legal, accounting, and network services) (21)	7.0	0.0	0.2	5.6	0.4	0.0	0.7	0.0	0.0	0.0	1.4	8.4
Information (e.g., data processing, information services, and publishing) (6)	9.0	0.6	0.1	7.7	0.4	0.0	0.0	0.0	0.0	0.1	2.3	11.3
Transportation, Distribution and Warehousing (8)	10.5	0.0	0.2	9.4	0.9	0.0	0.0	0.0	0.0	0.1	0.7	11.2
Social Assistance (including social welfare organizations) (13)	8.0	0.5	0.2	6.8	0.2	0.0	0.0	0.0	0.0	0.3	2.0	10.0
Public Utilities (13)	15.7	2.9	0.4	7.3	0.9	0.1	3.0	1.1	0.0	0.1	2.0	17.7
Educational Services (16)	10.4	0.0	0.5	9.7	0.0	0.0	0.0	0.0	0.1	0.0	0.1	10.5
Other Non-Manufacturing Industries (including Support and Management Services) (14)	7.5	0.2	0.2	5.2	0.5	0.0	0.2	0.7	0.1	0.5	2.6	10.1

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RETIREMENT AND SAVINGS PLAN BENEFITS

Approximately nine out of ten participating companies offer retirement plan benefits. 401(k) type plans are the most common type of retirement and savings program, offered by 81% of participating companies. 401(k) type plans were found to be slightly more common at manufacturing companies, whereas defined benefit plans were more common among non-manufacturing participants. Manufacturers were also more likely to provide profit-sharing benefits while more non-manufacturers offered stock and non-qualified deferred compensation plans. In general, large companies are more likely to provide retirement and savings plan benefits than smaller companies; one exception, however, may be profit-sharing plans, which are nearly as common at small firms as at large firms.

Percent of Companies Offering Retirement/Savings Plans

	All Companies	Non-Manufacturing	Manufacturing
Offer a Retirement Plan	88%	88%	89%
401K Type Plan	81%	78%	88%
Defined Benefit Pension Plan	27%	29%	24%
Profit-Sharing Plan	24%	18%	35%
Non-Qualified Deferred Compensation Plan	9%	10%	6%
Employee Stock Ownership Plan (ESOP) or stock bonus plan	7%	8%	6%
Cash or Other Hybrid Plans	4%	4%	5%
Other	4%	6%	7%

Retirement and Savings Plan Benefits By Company Size

	Number of Employees					
	1–99	100–499	500–999	1000–2499	2500–4999	5000 plus
Offer a Retirement Plan	81%	87%	100%	100%	100%	100%
401K Type Plan	66%	85%	97%	81%	90%	80%
Profit-Sharing Plan	26%	22%	31%	22%	5%	35%
Defined Benefit Pension Plan	16%	22%	37%	58%	44%	65%
Cash or Other Hybrid Plans	6%	2%	3%	10%	19%	7%
Employee Stock Ownership Plan (ESOP) or Stock Bonus Plan	3%	7%	13%	14%	11%	10%
Non-Qualified Deferred Compensation Plan	2%	6%	13%	26%	17%	37%
Other	6%	4%	8%	8%	11%	30%

How Retirement and Savings Plans Employer Contributions are Spent

	All Companies	Non-Manufacturing	Manufacturing
Defined Benefit Pension Plan	$805	$901	$449
401K Type Plan	$622	$623	$620
Profit-Sharing	$601	$517	$912
Other (e.g., Money Purchase Plan)	$393	$497	$6
Non-Qualified Deferred Compensation Plan	$142	$178	$10
Cash or other Hybrid Plans	$65	$76	$23
Employee Stock Ownership Plan (ESOP) or Stock Bonus Plan	$21	$26	$4

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How Retirement and Savings Plans Employer Contributions are Spent (by Company Size)

	Number of Employees					
	1–99	100–499	500–999	1000–2499	2500–4999	5000 plus
Defined Benefit Pension Plan	$305	$422	$188	$746	$692	$1,005
401K Type Plan	493	467	794	480	787	638
Profit-Sharing Plan	481	263	434	227	158	869
Other	15	38	293	366	87	565
Non-Qualified Deferred Compensation	6	15	43	104	26	218
Cash Balance or Other Hybrid Plan	26	21	37	0	499	0
Employee Stock Ownership Plan (ESOP) or Stock Bonus Plan	43	45	168	0	42	0

Average and Benchmarking Costs of Retirement and Savings Plan Benefits

The average employer cost of providing retirement and savings plan benefits among participating companies was $2,682 per employee, or 6.6% of payroll. Of these costs:

- ✓ Defined Benefit Pension Plans accounted for the highest average cost, an average of $805 per employee among all survey respondents. For benchmarking purposes, the average contribution by employers making defined benefit plan payments was $988 per employee, or 2.1% of payroll.
- ✓ 401(k) type plans accounted for an average of $622 per employee among all survey respondents. Of companies offering 401(k) plans, an average of 62% of employees participate in the plan. Nearly three out of four (73%) companies allow employees to borrow against their 401(k) plan balance and 86% outsource the management of their 401(k) plan. For benchmarking purposes, the average contribution in 1999 by employers making 401(k) contributions was $1,109 per employee, or 2.7% of payroll. On average, 401(k) plan administration expenses were 0.2% of their employer contribution.
- ✓ Profit-sharing programs averaged $601 per employee among all survey respondents. For benchmarking purposes, the average contribution by employers making profit-sharing payments was $2,344 per employee or 6.3% of payroll.
- ✓ Non-qualified deferred compensation expenses averaged $142 per employee among all survey respondents. For benchmarking purposes, the average expense for companies incurring non-qualified deferred compensation expenses averaged $611 per employee or 1.6% of payroll.
- ✓ Stock bonuses and Employee Stock Ownership Plans (ESOP) averaged $21 dollars per employee among all survey respondents. For benchmarking purposes, the average expense among companies paying stock bonuses/ESOP was $290 per employee, or 0.9% of payroll.

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Table 21. Retirement and Savings Plan Payments as Annual Dollars Per Employee by Industry Group

Industry Group (# of Companies Reporting)	Total Employers' Share	Defined Benefit Pension Plan	Cash Balance or Other Hybrid Plan	401K or Similar Payments	Profit Sharing Payments	Stock Bonus and ESOP	Non-Qualified Deferred Compensation Plan	Other	Costs of Plan Administration	Total Employee Payroll Deductions to Plans	Grand Total Employer Plus Employee
Total, All Companies (386)	$2,682	$805	$65	$622	$601	$21	$142	$393	$31	$1317	$3999
Total, Manufacturing (132)	2,077	449	23	620	912	4	10	6	54	1755	3832
Computer, Electronic, and Electrical Equipment, Products and Components (14)	3,264	310	0	792	2,144	0	0	0	19	2,765	6,029
Fabricated Metal Products (31)	781	43	0	355	251	36	0	5	91	843	1,624
Pulp, Paper, Lumber, and Furniture (20)	1,268	327	1	609	246	0	0	9	75	1,507	2,775
Food, Beverage, and Tobacco (6)	1,994	0	0	0	1,986	0	0	4	4	871	2,865
Machinery (11)	4,784	2,682	0	1,160	885	0	0	0	57	2,724	7,508
Textile and Apparel (5)	1,036	36	0	252	687	0	2	0	59	1,085	2,121
Rubber, Leather, Plastic and Allied Products (9)	828	0	239	360	193	0	4	0	31	962	1,790
Chemicals (including pharmaceutical companies) (8)	3,401	999	0	1,336	550	0	194	127	195	2,549	5,950
Printing (including related support activities) (6)	1,152	0	211	521	370	0	0	0	50	1,550	2,702
Other Manufacturing Industries (including Transportation Equipment) (22)	1,697	207	72	868	503	0	13	0	35	1,793	3,490
Total, Non-Manufacturing (253)	2,844	901	76	623	517	26	178	497	25	1,199	4,043
Retail Trade (30)	432	0	0	287	50	54	0	22	20	1,103	1,535
Health Care (including hospitals) (65)	1,337	760	47	350	31	22	6	93	27	819	2,156
Food and Lodging (e.g., motels, restaurants) (9)	276	19	0	225	17	0	0	0	16	755	1,031
Wholesale Trade (10)	2,201	0	0	226	1,933	0	0	29	13	565	2,766
Finance and Insurance (33)	3,613	1,543	450	1,116	260	43	118	12	71	1,144	4,757
Construction (16)	626	316	30	93	166	9	0	0	13	1,297	1,923
Professional, Scientific, and Technical Services (e.g., consulting, legal, accounting, and network services) (21)	3,931	0	0	249	4	527	0	3,140	10	1,257	5,188
Information (e.g., data processing, information services, and publishing) (6)	1,394	323	0	990	0	17	30	0	34	1,744	3,138
Transportation, Distribution and Warehousing (8)	6,322	4	0	1,709	3,213	0	1,254	117	25	2,293	8,615
Social Assistance (including social welfare organizations) (12)	768	28	0	243	440	0	0	48	9	522	1,290
Public Utilities (13)	6,779	5,258	0	1,317	0	7	24	148	24	4,549	11,328
Educational Services (16)	1,593	113	0	38	0	0	0	1,441	0	42	1,635
Other Non-Manufacturing Industries (including Support and Management Services) (14)	916	46	0	599	0	181	6	0	85	2,302	3,218

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Table 22. Retirement and Savings Plan Payments as Percent of Payroll by Industry Group

Industry Group (# of Companies Reporting)	Total Employers' Share	Defined Benefit Pension Plan	Cash Balance or Other Hybrid Plan	401K or Similar Payments	Profit Sharing Payments	Stock Bonus and ESOP	Non-Qualified Deferred Compensation Plan	Other	Costs of Plan Administration	Total Employee Payroll Deductions to Plans	Grand Total Employer Plus Employee
Total, All Companies (387)	6.6%	1.6%	0.2%	1.5%	1.6%	0.1%	0.4%	1.2%	0.1%	3.1%	9.7%
Total, Manufacturing (132)	5.5	1.0	0.1	1.7	2.5	0.0	0.0	0.0	0.1	4.9	10.4
Computer, Electronic, and Electrical Equipment, Products and Components (14)	7.3	0.7	0.0	1.7	4.9	0.0	0.0	0.0	0.0	6.1	13.4
Fabricated Metal Products (31)	2.5	0.1	0.0	1.2	0.7	0.1	0.0	0.0	0.3	2.9	5.4
Pulp, Paper, Lumber, and Furniture (20)	3.7	0.9	0.0	1.8	0.8	0.0	0.0	0.0	0.2	4.3	8.0
Food, Beverage, and Tobacco (6)	5.7	0.0	0.0	0.0	5.7	0.0	0.0	0.0	0.0	4.2	9.9
Machinery (11)	11.1	6.0	0.0	2.9	2.0	0.0	0.0	0.0	0.1	6.9	18.0
Textile and Apparel (5)	4.4	0.2	0.0	1.1	2.9	0.0	0.0	0.0	0.2	4.6	9.0
Rubber, Leather, Plastic and Allied Products (9)	2.7	0.0	0.8	1.3	0.5	0.0	0.0	0.0	0.1	3.5	6.2
Chemicals (including pharmaceutical companies) (8)	7.8	2.0	0.0	3.6	1.2	0.0	0.4	0.2	0.4	5.8	13.6
Printing (including related support activities) (6)	2.9	0.0	0.4	1.4	0.9	0.0	0.0	0.0	0.1	3.8	6.7
Other Manufacturing Industries (including Transportation Equipment) (22)	4.2	0.5	0.2	2.1	1.3	0.0	0.0	0.0	0.1	4.3	8.5
Total, Non-Manufacturing (254)	6.8	1.7	0.2	1.5	1.4	0.1	0.5	1.5	0.0	2.6	9.4
Retail Trade (30)	1.5	0.0	0.0	1.0	0.2	0.3	0.0	0.0	0.1	3.6	5.1
Health Care (including hospitals) (65)	3.5	1.9	0.2	0.9	0.1	0.1	0.0	0.2	0.0	2.0	5.5
Food and Lodging (e.g., motels, restaurants) (9)	1.0	0.1	0.0	0.9	0.0	0.0	0.0	0.0	0.0	2.9	3.9
Wholesale Trade (10)	6.5	0.0	0.0	0.6	5.7	0.0	0.0	0.1	0.0	1.7	8.2
Finance and Insurance (33)	7.8	3.2	0.9	2.6	0.5	0.1	0.2	0.0	0.2	2.6	10.4
Construction (16)	2.7	1.8	0.1	0.4	0.4	0.0	0.0	0.0	0.0	4.6	7.3
Professional, Scientific, and Technical Services (e.g., consulting, legal, accounting, and network services) (21)	6.6	0.0	0.0	0.4	0.0	0.9	0.0	5.2	0.0	2.0	8.6
Information (e.g., data processing, information services, and publishing) (6)	3.9	0.9	0.0	2.8	0.0	0.0	0.1	0.0	0.1	4.3	8.2
Transportation, Distribution and Warehousing (8)	16.8	0.0	0.0	4.5	8.5	0.0	3.3	0.4	0.1	6.1	22.9
Social Assistance (including social welfare organizations) (13)	2.8	0.1	0.0	0.9	1.5	0.0	0.0	0.2	0.0	1.6	4.4
Public Utilities (13)	10.0	7.7	0.0	1.9	0.0	0.0	0.0	0.2	0.0	6.6	16.6
Educational Services (16)	5.2	0.3	0.0	0.1	0.0	0.0	0.0	4.8	0.0	0.1	5.3
Other Non-Manufacturing Industries (including Support and Management Services) (14)	2.2	0.1	0.0	1.1	0.0	0.8	0.0	0.0	0.2	5.1	7.3

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DETERMINE HOW YOUR COMPANY'S BENEFIT COSTS MEASURE UP

A copy of the instructions and survey questionnaire used to conduct the *Study* is reproduced following this section. To determine how your company's benefit costs measure up, complete the survey based on your company's 1999 payroll and expenditures. Next, complete lines 1 through 4 below and perform the listed calculations. Finally, compare your calculated figures to the findings of the *Study*.

1. Average hours per week worked by a typical full-time employee in 1999: _____ hours
   (Fourth line from the bottom on the first page of the survey)
2. Full-Time Equivalent Employees
   (Second line from the bottom on the first page): $_____
3. Total Gross Payroll (Last line on the first page): $_____
4. Total Employer Benefit Payments (Line 30 on the last page of the survey): $_____

Percent of Payroll Spent on Employee Benefits

To calculate the cost of employee benefits as a percent of payroll, divide Total Employer Benefit Payments (line 4 above) by Total Gross Payroll (line 3 above):

$$\frac{\text{Total Employer Benefit Payments}}{\text{Total Gross Payroll}} = _____\ \%\ \textit{Percent of Payroll Spent on Employee Benefits}$$

Annual Dollars Spent on Benefits Per Employee

To calculate the cost of employee benefits as annual dollars per employee, divide Total Employer Benefit Payments (line 4 above) by Full-Time Equivalent Employees (line 2 above):

$$\frac{\text{Total Employer Benefit Payments}}{\text{Full-Time Equivalent Employees}} = \$_____\ \textit{Annual Dollars Spent on Benefits Per Employee}$$

Cents Per Payroll Hour Spent on Employee Benefits

To calculate the cost of employee benefits as cents per payroll hour, first calculate Total Payroll Hours by multiplying Full-Time Equivalent Employees (line 2 above) by Average Weekly Hours (line 1 above), and then by 52, to account for all 52 weeks of the year.

Full-Time Equivalent Employees x Average Weekly Hours x 52 weeks = _____ Total Payroll Hours

Next, divide Total Employer Benefit Payments (line 4 above) by Total Payroll Hours (calculated above):

$$\frac{\text{Total Employer Benefit Payments}}{\text{Total Payroll Hours}} = _____\ ¢\ \textit{Cents Per Payroll Hour Spent on Employee Benefits}$$

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COPY OF SURVEY USED IN THE 2000 EMPLOYEE BENEFITS STUDY

EMPLOYEE BENEFITS SURVEY 2000
INSTRUCTIONS

This survey is confidential. Data from individual firms will not be disclosed. Data will be published only in the aggregate for groups of companies. Only persons handling the research will see your responses.

1. **Coverage:** Include data for *all* employees *except* officers of the company. If you would like to report the benefit costs for divisions within your company, please complete a separate survey for each division.
2. **Approximate or Incomplete Data:** If you are unable to give an exact cost of a benefit program that your company offers, please give your best estimate – an estimate is much better than a zero! Where possible, guidelines for estimating costs are provided.
3. **Cost for Benefits Not Offered:** If your company does not offer a benefit listed on the survey, please enter a 0 in the amount box.
4. **Instructions for specific questions:** Double astericks (**) after a question indicate that further instructions are provided below.

Section B

Full-time equivalent employees: A full-time equivalent employee is a worker who averages 40 hours per week, or a combination of part-time workers who average a combined 40 hours per week (e.g., 2 part-time workers who average 20 hours per week are considered as one full-time equivalent employee).

Total Gross Payroll: Report actual wages, not "take-home pay" (i.e., report total payroll prior to employee deductions for taxes, 401(k) plans, insurance, and other deductions).

Section C

3. Workers' compensation: If your company is self-insured, report total amount of actual disbursements and/or state assessments.

4. Other legally-required payments: Examples of other legally-required payments may include State payroll taxes and Federal Railroad Retirement Tax.

Section D

5. Companiés with Cafeteria Plans: If you have a cafeteria plan, allocate costs based on the proportional sharing of costs under the cafeteria program. For example, if the total cost for the cafeteria program was $1,000,000 and the employer's contribution was $800,000, the employer's share for each of the programs should be prorated at 80% of the program cost, and the employees' share would be 20 percent of the program cost.

Section E

Estimation Guidelines: If you are unable to provide actual figures for paid day off expenses (e.g., holiday, sick day) please estimate each paid day off as .00385 * straight-time pay.

8. Paid rest periods: Estimate the cost of paid breaks for **hourly employees only** as 2% of gross hourly payroll for each 10-minute rest period of a typical hourly worker on a typical day. Report these costs whether or not there is a formal rule providing for such periods.

9. Leave Policy: Complete the section that best describes your leave policy – either Traditional Vacation/Sick Leave or Paid Time Off Account.

12. Short-term disability, sickness or accident insurance: If your company pays actual costs rather than insurance premiums, please report your total actual expenditures for 1999.

13. Long-term disability or wage continuation: Report actual 1999 expenditures, whether from insurance costs, self-administered, or trust program.

Section F

15. Hospital, surgical, medical, and major medical insurance: Report total payments for premiums/expenses (except administration) related to hospital, surgical, medical, and major medical insurance including coverage through HMO, PPO, point of service, indemnity, or self-insured plans.

Section G

21. Life insurance: Report total net payments for life insurance coverage as well as death benefit payments made that were not covered by insurance. Exclude premiums for life insurance purchased under a pension plan, as they should be reported as part of pension plan expenses.

Section H

22a. Defined benefit pension plans: Defined benefit pension plans (i.e., plans insured by the Pension Benefit Guaranty Corporation) involve a promise to pay a fixed level of benefits on retirement.

22c. 401(k): For non-profits, include payments to 403(b) plans; For state and local governments, include payments to 457 plans.

COPY OF SURVEY USED IN THE 2000 EMPLOYEE BENEFITS STUDY

Employee Benefits Study 2000

U.S. Chamber of Commerce Statistics and Research Center

A. ABOUT YOU (Information in this section will be used for office purposes only)

To allow us to verify your responses if need be, please provide your Name, Company, Title, Telephone Number, and e-mail address.

Note: The Study report will be sent to your attention at this address.

May we include your company name in an alphabetic list of participants? O Yes O No

B. ABOUT YOUR COMPANY

Please fill in the bubble that best describes the industry which provides the greatest portion of your firm's revenues.

Please mark only ONE industry.

Non-Manufacturing

- O Retail Trade
- O Health Care (including hospitals)
- O Food and Lodging (e.g., motels, restaurants)
- O Wholesale Trade
- O Finance and Insurance
- O Construction
- O Transportation, Distribution and Warehousing
- O Rental, Leasing and Real Estate (including real estate sales and services)
- O Social Assistance (including social welfare organizations)
- O Arts, Entertainment, and Recreation (e.g., live performance, museums, sports clubs)
- O Public Utilities
- O Educational Services
- O Support and Management Services (e.g., management companies, administrative support)
- O Information (e.g., data processing, information services, and publishing)
- O Professional, Scientific, and Technical Services (e.g., consulting, legal, accounting, and network services)
- O Other non-manufacturing industry

Manufacturing

- O Machinery
- O Computer, Electronic, and Electrical Equipment, Products, and Components
- O Transportation Equipment
- O Fabricated Metal Products
- O Pulp, Paper, Lumber, and Furniture
- O Food, Beverage, and Tobacco
- O Textile and Apparel
- O Rubber, Leather, Plastic, and Allied Products
- O Chemicals (including pharmaceutical companies)
- O Printing (including related support activities)
- O Other manufacturing industry

Please summarize your company's major line of business:

In which geographic area do the majority of your employees work?

- O New England (ME, VT, NH, MA, CT, RI)
- O Middle Atlantic (NY, PA, NJ)
- O East North Central (WI, IL, MI, IN, OH)
- O West North Central (ND, SD, NE, KS, MN, IA, MO)
- O South Atlantic (WV, VA, MD, DE, DC, NC, SC, GA, FL)
- O East South Central (KY, TN, MS, AL)
- O West South Central (TX, OK, AR, LA)
- O Mountain (MT, ID, WY, NV, UT, CO, AZ, NM)
- O Pacific (WA, OR, CA, HI, AK)
- O Employees not centralized in any one area

Do a majority of your employees work in a metropolitan area? O Yes O No

If yes, please identify the city:

Total number of employees for whom you are reporting data:

Average hours per week worked by a typical full-time employee in 1999: hours per week

What percentage of your workforce are part-time workers? (i.e., work less hours than the normal FT work week) %

Total 1999 *full-time equivalent employees* included in your survey data:** (**See Instructions page.)

Total Gross Payroll (report actual wages)** $

Report pay prior to employee deductions of all income and payroll taxes, and pay deferral programs (such as 401(k) plans and other deductions).

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C. LEGALLY-REQUIRED PAYMENTS

	Employee Share	Employer Share
1. Federally-required payroll taxes	$ ___,___,___.__	$ ___,___,___.__
Note: Employee & Employer shares should each equal approximately 7.65% of payroll.		
2. Federal & state unemployment compensation taxes		$ ___,___,___.__
3. Workers' compensation insurance premium**		$ ___,___,___.__
4. Other** (please specify): _____		$ ___,___,___.__
I. Total employer legally-required benefit payments: (Total of lines 1-4, employer's share only)		$ ___,___,___,___.__

D. OVERALL BENEFITS

5. Which of the following best describes your firm's employee benefit offerings?**

- O None offered beyond legally-required benefits
- O Fixed benefit plan
- O Cafeteria plan** (allow employees to choose between benefits and/or benefit plans)
- O Mixed benefit package** (part of the benefits package is fixed and part is cafeteria)

6. Which of the benefits do you offer to your workers?

	FT Salaried workers	FT Hourly workers	Part time workers		FT Salaried workers	FT Hourly workers	Part time workers
Paid holidays	O	O	O	Retirement plan(s)	O	O	O
Paid vacation	O	O	O	Life insurance	O	O	O
Paid sick leave	O	O	O	Short-term disability	O	O	O
Health insurance	O	O	O	Long-term disability	O	O	O

E. PAYMENTS FOR TIME NOT WORKED

7. How many paid holidays did your firm recognize in 1999? ___ holidays

7a. Total payments made for or in lieu of holidays** $ ___,___,___.__

8. Paid rest periods for hourly employees** (e.g., coffee breaks, lunch periods, wash-up time, etc.) $ ___,___,___.__

9. Complete the section that best describes your leave policy**

TRADITIONAL VACATION AND/OR SICK LEAVE

9a. Do you offer sick leave? O Yes O No

If yes, how much time is accrued per year? ___ days

Do any days carry over to the following year? O Yes O No

Total actual dollars paid in 1999 for sick leave** $ ___,___,___.__

9b. If you provide paid vacation, what criteria are used to determine the number of vacation days given to an employee?

O Years with company O Level of position O Years of professional experience O Other factor(s) O Combination of factors

How many annual vacation days would a typical employee with the following years of service at your company receive?

1 year	5 years	10 years	15 years	20 years
___	___	___	___	___ days

Number of vacation days

9c. Total actual payments for vacation in 1999**
(Include payments for vacation time paid for but not taken)

$ ___,___,___.__

OR PAID TIME OFF ACCOUNT

9a. What criteria are used to determine the number of paid days off given to an employee? O Years with company O Level of position O Years of professional experience O Other factor(s) O Combination of factors

9b. How many annual paid days off would a typical employee with the following years of service at your company receive?

1 year	5 years	10 years	15 years	20 years
___	___	___	___	___ days

Number of paid days off

Can paid days off be carried over to the next year?

- O No
- O Yes, all unused days can be carried over
- O Yes, unused days can be carried over, up to a maximum of ___ days

9c. Total actual payments for paid time off in 1999**
(Include payments for time off paid for but not taken)

$ ___,___,___.__

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	Employer Share
10. Family and medical leave payments (e.g., maternity and paternity leave)	$ ___,___,___.__
11. Other payments for time not worked (please specify) _____	$ ___,___,___.__
II. Total employer payments for time not worked benefits: (Total of lines 7a, 8, 9a (if applicable), 9c, 10, and 11, employer's share only)	$ ___,___,___,___.__

F. MEDICAL AND MEDICALLY-RELATED BENEFITS

	Employee Share	Employer Share
12. Short-term disability, sickness or accident insurance**	$ ___,___,___.__	$ ___,___,___.__
13. Long-term disability or wage continuation**	$ ___,___,___.__	$ ___,___,___.__

14. Which of the following medically-related benefits do you offer? (check all that apply)

- O HMO plan
- O PPO health insurance plan
- O Point of service plan
- O Indemnity health insurance plan
- O Medical spending or reimbursement accounts
- O Medical savings accounts
- O Mental health coverage on a parity basis to physical health benefits
- O Alcohol and drug abuse treatment
- O Chiropractic care
- O Alternative forms of medical care (e.g., homeopathy, herbal therapies)
- O Coverage for unmarried domestic partners
- O Coverage for retirees under 65
- O Long term care insurance

15. What was the total amount spent by your company in 1999 on hospital, surgical, medical, and major medical insurance?
Include the costs for dental, vision, prescription drugs, and/or retiree health insurance only if you cannot break out the separate costs for those offerings. For parts b through e, please complete both sections. Leave cost section blank if you cannot provide a separate cost for the item.

	Employee Share	Employer Share
5a. Hospital, surgical, medical, and major medical insurance**	$ ___,___,___.__	$ ___,___,___.__

Does your firm offer:	No	Yes, but cannot break out costs	Yes, cost is listed at right	Employee Share	Employer Share
15b. Dental insurance	O	O	O	$ ___,___,___.__	$ ___,___,___.__
15c. Vision care	O	O	O	$ ___,___,___.__	$ ___,___,___.__
15d. Retiree health insurance	O	O	O	$ ___,___,___.__	$ ___,___,___.__
15e. Prescription drug coverage	O	O	O	$ ___,___,___.__	$ ___,___,___.__

If offered, who is covered by the prescription drug coverage? O Current employees O Retirees under 65 O Retirees 65 or older

16. How does your firm administer its health plans?

- O Self administer all health plans
- O Use third-party administrator for all health plans
- O Self administer some and use third party administrator for some

16a. Cost of health plan administration: $ ___,___,___.__

17. Does your firm use any of the following cost-control methods?

- O Pre-admission certification
- O Mail-order pharmacy
- O Pharmacy benefit manager
- O Behavioral health services manager
- O Self-insure or fully insure any of your health benefits
- O Participate in a group purchasing arrangement for either medical services or medical insurance with other firms in your community

18. Is there a waiting period for health insurance coverage? O Yes O No

If yes, how long is the waiting period for:

Full time salaried employees:	O Up to 1 month	O >1 month, up to 3 months	O >3 months up to 6 months	O >6 months
Full time hourly employees:	O Up to 1 month	O >1 month, up to 3 months	O >3 months up to 6 months	O >6 months
Part time employees:	O Up to 1 month	O >1 month, up to 3 months	O >3 months up to 6 months	O >6 months

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19. How are the health insurance premium costs paid?

O Fully paid by the employer
O Fully paid by the employee
O Other (Please specify)
O Defined dollar contribution by the employer (employer contributes a set dollar amount)
O Proportional shared cost (employer & employee each pay a set percentage)

19a. Please indicate the percent of the health care premium/costs for which the company pays for each of the following:

Example: If the company pays for the entire cost of health care for employees, but only 50% of the cost for dependents, the response would be: Employee: 100%; Spouse/Partner 50%; Child 50%; Family 50%. Even if your company does not pay a defined percentage, please estimate the average company contribution as a percent of health care premium cost.

Employee: ___.__ % **Spouse/Partner:** ___.__ % **Child:** ___.__ % **Family:** ___.__ %

20. Other medical benefits not included elsewhere (please specify below)

	Employee Share	Employer Share
	$ ___,___,___.__	$ ___,___,___.__

III. Total employer payments for medically-related benefits: $ ___,___,___,___.__
(Total of lines 12,13, 15a-e, 16a, and 20 - employer's share only)

G. LIFE INSURANCE AND DEATH BENEFIT PAYMENTS

	Employee Share	Employer Share
21. Life insurance premiums & death benefits**	$ ___,___,___.__	$ ___,___,___.__

H. RETIREMENT AND SAVINGS PLAN PAYMENTS

22. Which of the following types of savings and pension plans do you offer? (Complete all sections that apply)

22a. Defined benefit pension plan**(but not cash balance plans) O Yes O No
(Report net payments after deducting and dividends or credits returned to employer by insurer)
Employer Share: $ ___,___,___.__
Do you outsource its management? O Yes O No
Cost of plan administration: $ ___,___,___.__

22b. Cash balance or other hybrid plans O Yes O No
Employer Share: $ ___,___,___.__
Do you outsource its management? O Yes O No
Cost of plan administration: $ ___,___,___.__

22c. 401(k) type plan** O Yes O No
Employee Share: $ ___,___,___.__
Employer Share: $ ___,___,___.__
Do you outsource its management? O Yes O No
Cost of plan administration: $ ___,___,___.__
Percentage of employees participating: ___.__ %
Can employees borrow against their balances? O Yes O No

22d. Profit-sharing plan O Yes O No
$ ___,___,___.__

22e. Employee stock ownership plan (ESOP) or stock bonus plan O Yes O No
$ ___,___,___.__

22f. Non-qualified deferred compensation plan O Yes O No
$ ___,___,___.__

23. Other retirement & savings plan payments (please describe)
$ ___,___,___.__

IV. Total employer payments for retirement and savings plans: $ ___,___,___,___.__
(Total of lines 22a-f and 23 - employer's share only)

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I. MISCELLANEOUS BENEFIT PAYMENTS

24. Severance pay $ ___,___,___.__

25. Employer child care contributions (including on-site and third party expenses) $ ___,___.__

26. Employee education expenditures (e.g., tuition refunds, seminar attendance, etc.) $ __,___,___.__

27. Discounts on goods and services purchased from the company by employees $ __,___,___.__

28. Which of the following additional benefit programs do you offer?

O Flexible Spending Accounts (pre-tax) for child care O Flexible Spending Accounts (pre-tax) for transportation O Flexible Work Schedules

29. Do you offer stock options (either qualified or unqualified) to employees? O Yes O No

If yes, who is eligible to participate? O Selected employees O All non-hourly employees O All employees

V. Total employer payments for miscellaneous benefit payments: $ _,___,___,___.__
(Total of lines 24-27)

J. BENEFIT PAYMENTS: GRAND TOTALS

30. Employer benefit payments - GRAND TOTAL: $ _,___,___,___.__

Total of:

I. Total employer legally-required benefit payments
II. Total employer payments for time not worked benefits
III. Total employer payments for medically-related benefits
Line 21, employer's share only
IV. Total employer payments for retirement and savings plans
V. Total employer payments for miscellaneous benefit payments

31. Employee benefit contributions - GRAND TOTAL: $ _,___,___,___.__

Total of lines 1, 12, 13, 15a-e, 20, 21,and 22c, employee's share only

K. ADDITIONAL COMMENTS

32. If you experienced any large unusual benefit costs and/or refunds in 1999, please explain.
(e.g., one-time retirement plan contribution; large layoff of employees)

33. Please use this space for any additional comments or suggestions in regard to this survey.

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KEY DEFINITIONS UTILIZED IN THIS REPORT

✓ The *Employee Benefits Study* includes as points of study both benefits (such as health insurance, contributions to retirement and savings plans, vacation and sick leave) and legally required payments (such as Social Security payroll tax, unemployment insurance tax, and state workers' compensation insurance premiums). Total benefit costs in this study include legally required payments.

✓ As in previous editions, employee benefits as described above are tracked in three ways:

1. annual dollars per employee;
2. cents per hour; and
3. as a percentage of gross payroll.

✓ "Pay" is defined simply as gross payroll. In some cases, certain benefits are also a part of gross payroll (*e.g.*, vacation pay, holiday pay, sick leave). Thus, for example, sick leave, when presented as a percentage of payroll, is a part of *both* the numerator *and* the denominator in our equation.

✓ "Total Gross Payroll" includes total actual wages prior to employee deductions, such as taxes and employee contributions to 401(k) plans.

✓ "Per Employee" figures are based on the total number of 1999 full-time equivalent employees as provided by the survey respondents. Where a full-time worker averages 40 hours a week, two workers averaging 20 hours a week are considered one full-time equivalent employee.

✓ For the majority of the analysis, benefits are analyzed in terms of average benefit *per employee* rather than *per employer*. To illustrate the significance of this distinction, consider an example computation of average benefit cost provided by two employers.

- Employer A has 100 full-time employees and provides $5,000 per employee.
- Employer B has 10 full-time employees and provides $1,000 per employee.

Average benefit amount provided per employee	Average benefit amount provided by the typical employer
($5,000 x 100 employees) + ($1,000 x 10 employees)	($5,000 + $1,000)
110 total employees	2 employers
=	=
$4,636 per employee	$3,000 per employer

Thus, our analysis computes the average for each benefit by weighting the benefits provided by the number of full-time equivalent employees.

✓ For companies not offering a benefit, the total cost of providing that benefit was considered to be $0. Therefore, the "average" cost of providing a benefit within any given survey group will be lowered proportionately by the number of companies within that group which do not offer that benefit at all. In this sense, the survey reports the actual average amount received across all employees within that group, *not* the average amount provided by employer firms offering that benefit.

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The U.S. Chamber of Commerce is the world's largest business federation representing more than 3 million businesses and organizations of every size, sector and region. The U.S. Chamber of Commerce has been championing the business community for over 85 years. The Chamber's primary mission is to fight for the interest of business and free enterprise before Congress, the White House, regulatory agencies, the courts, the court of public opinion, and before governments around the world.

If you are interested in becoming a member of the U.S. Chamber of Commerce, or would like to find out more about what we do, please call our membership department at 1-800-833-9106. Or, visit us on the World Wide Web at www.uschamber.com.

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EXHIBIT 6

The 2002 Employee Benefits Study

PECK EXHIBIT 6
Offered by Opposer, The Chamber of Commerce of the United States of America

The Chamber of Commerce of the United States of America v. United States Hispanic Chamber of Commerce Foundation
Opposition Number 91/156,321

U.S. Chamber of Commerce
Statistics and Research Center

USCC 56484

The 2002 Employee Benefits Study

U.S. Chamber of Commerce
Statistics and Research Center

USCC 56485

2002 Employee Benefits Study

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INTRODUCTION

The U.S. Chamber of Commerce is pleased to present the 39th edition of its employee benefits study, the *2002 Employee Benefits Study*. This report, sponsored by American International Group, Inc. (AIG), details the benefits that U.S. employers provided their employees in addition to wages for calendar/fiscal year 2001. As the world's largest business federation, the U.S. Chamber of Commerce is the leading advocate for free enterprise and the business community. In support of that mission, the U.S. Chamber's Statistics and Research Center regularly collects, analyzes, and distributes statistics of significance to the U.S. business community. AIG is the leading U.S.-based international insurance and financial services organization and the largest underwriter of commercial and industrial insurance in the United States.

The *2002 Employee Benefits Study* is designed to provide accurate and authoritative information on the actual value of benefits provided by employers to employees. The *Study* is useful for a wide range of practical and academic applications. For example, recruitment specialists will find the *Study* to be an invaluable reference tool for assessing the competitiveness of a total compensation package *vis-à-vis* the employment marketplace as a whole. Business owners and executives can use the *Study* to identify the strengths and potential areas for improvement of their company's compensation packages. Academics will find the *2002 Study* to be a respected resource for documenting the benefits provided to employees in addition to wages.

The 372 firms that participated in this study represent a cross-section of U.S. businesses in terms of industries, geography, and size. To these companies, and most especially the individuals who took the time to gather the necessary details and complete the survey, we extend our gratitude. It is through the willingness of these firms to share their benefit practices that we are better able to understand the important role of employee benefits in the free enterprise system.

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USING THE STUDY TO EVALUATE YOUR BENEFITS PLAN

Attracting and retaining quality employees is one of the greatest challenges in business today. Employees are increasingly aware of the benefits they receive — and how those benefits compare to what other companies are offering. The U.S. Chamber of Commerce *Employee Benefits Study* provides a wide array of facts to help you see how your company's benefit plan compares to those of other businesses. This section provides an overview of the information included in the *Study* as well as guidelines for using the *Study* to conduct a comparative assessment of your benefit plan.

✓ **Identify the Study categories that best define your company.** The *Study* presents information for U.S. companies in general (typically referred to as "total, all companies"), by employee size, industry, and geographic location. In order to gain the best picture of how your company measures up, determine which *Study* categories best fit your firm. You may also want to compare your figures to the categories of companies with whom you compete for employees.

✓ **Review the Methodological Note and Key Definitions.**

✓ **Compare the benefits that you offer to what other companies provide.** An overview of the percentage of firms offering benefits to full-time and part-time employees is presented on page 9. In addition, more in-depth investigation of paid time off, medical, and retirement & savings plan benefit offerings are presented in on pages 29, 31, and 38, respectively.

✓ **Complete the copy of the survey instrument and calculate your total benefits costs.** Easy-to-follow instructions are presented on page 42.

✓ **Utilize the appropriate average cost charts to compare the total cost of your employee benefit program.** The comparison of your total benefits cost is often the best indicator as to whether your benefits package is competitively funded *vis-à-vis* other companies. Be sure to reference Table 2 to determine the ranking of your total benefit package cost. You may also want to read the discussion of benefit costs presented the Highlight section on page 8.

✓ **Use the appropriate average cost charts to compare your subtotal costs for each benefit category.** In general, the benefit category totals (which are presented in colored text in the charts, e.g., Medical), are more accurate comparison figures than specific line benefit items because the specific benefit items (e.g., Vision Care) offered in each category may vary from company to company.

✓ **Benchmark your actual line item costs for specific medical or retirement benefits.** If you would like to compare your actual benefit line item costs (e.g., HMO premiums) to the average payment by survey participants for the same item, calculate your line item cost as a percentage of payroll by following the instructions for calculating the percent of payroll spent on benefits substituting the specific line item cost for your Total Employer Benefit Payments. Benchmarking figures for medical items are provided on page 35; figures for retirement plans are discussed in the text on page 39.

Once you have completed your benefits package review, if you have determined your total benefit costs to be comparative to companies similar to you, yet there are still concerns that your benefits package is not competitive, you may want to conduct more direct research among your employees to determine their views of your benefits package. It may also be a good idea to contact alternate benefit providers to ensure that you are receiving the best value for your benefit costs.

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METHODOLOGICAL NOTE

The *2002 Employee Benefits Study* is an analysis of the actual employee benefit practices of 372 U.S. employers in 2001. These companies, which include both Chamber members and non-members who voluntarily participated in the *Study*, collectively employ approximately 465,746 full-time equivalent workers. These firms comprise a cross-section of all U.S. employers in terms of number of employees, type of industry, geographic region and size of payroll.

Survey Participants by Number of Employees

Number of Employees	Number of Companies	Percent of Participating Companies
1–9	37	9.9%
10–49	79	21.2%
50–99	60	16.1%
100–499	118	31.7%
500–999	30	8.1%
1,000–2,499	24	6.5%
2,500 plus	24	6.5%

The survey sample for the *2002 Employee Benefits Study* has a different demographic composition than previous editions of the *Study*. In addition, the demographics of participating companies have varied within industry groupings (e.g., manufacturing versus non-manufacturing companies), geographic region and company size. Due to the changes in sample composition, caution is recommended when attempting to draw conclusions from year-to-year comparison of *Study* findings.

Variance in Sample Size Between Analytical Charts

The *2002 Employee Benefits Study* survey asked respondents to provide several demographic descriptors about their company (e.g., type of industry) and its benefit practices (e.g., type of benefit plan) as well as cost figures for such employee benefits. In some cases, respondents did not answer all descriptor questions or did not provide cost figures. While all 372 responses have been used in the analysis, the sample size for particular analytical charts will vary based on the number of respondents providing adequate information to be included in that aspect of the analysis. The specific number of respondents used for each dataset is clearly indicated at the top of each data column.

Changes in Survey Design

The *2002 Employee Benefits Study*, while building on the success of the past benefit surveys, incorporates several key modifications that reflect changes in the business community as well as in benefit practices. To better capture benefit practices from firms in which life insurance is offered as a part of medical health plan benefits, data on contributions were collected and are reported in conjunction with major medical expenses.

Other Notes

There is a wide variation in the specifics of medical plan coverage and the various ways that companies reported medical benefit costs. As a result of the number of firms reporting additional medical costs as a part of major medical insurance costs, the figures reported for other medical insurance may be slightly over-reported while costs for other medical benefits may be underrepresented in this analysis. Benefit costs for other medical expenses were reported as part of hospital, surgical, medical, and major medical plan costs by respondents as follows: Prescription Drug Coverage (81%); Vision Care (29%); Dental Insurance (26%); Life Insurance (17%); and Retiree Health Insurance (15%). As a result, we recommend using the total medical benefit costs to assess how your company's total medical benefits package measure up to other companies like yours. In addition, there is a slight variation in the manner for which temporary illness was reported in either Sick Leave payments for Time Not Worked or Short-term Disability.

"Other Manufacturing" includes companies that did not identify a major line of business from the provided choices, those who marked "Other Manufacturing" and respondents from the Transportation Equipment, Printing and Textile and Apparel industries, for a total of fourteen companies. "Other Non-Manufacturing" includes companies that did not identify a major line of business from the provided choices, those who marked "Other Non-Manufacturing" and respondents from the Rental, Leasing and Real Estate, Arts, Entertainment and Recreation, and Food and Lodging industries, for a total of thirty-four companies.

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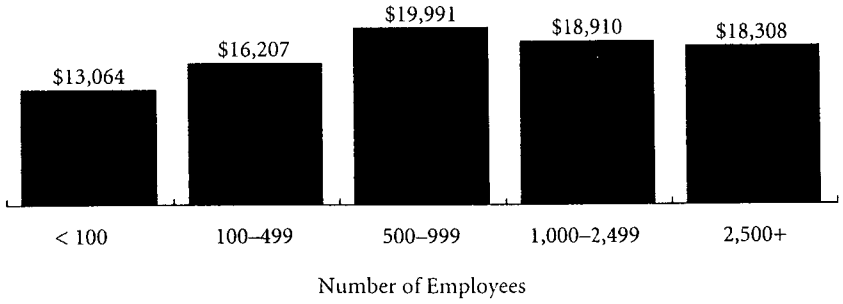
HIGHLIGHTS OF FINDINGS

- ✓ Employees at participating companies received an average of $18,254 worth of employee benefits in addition to wages in 2001.
- ✓ The cost of benefits averaged 39.0% of payroll among participating companies. However, benefits varied significantly between companies. For example, one in ten participating companies paid more than 48.7% of payroll in benefits while an equal amount paid less than 22.2%.
- ✓ Over 98% of participating companies provide paid holiday, health insurance, and vacation benefits to full-time employees. Over nine out of ten provide retirement (95%) and life insurance (91%) benefits. The majority provide sick leave (77%), long-term disability (68%), and short-term disability (59%) benefits.
- ✓ Over four out of ten participating companies offer benefits to part-time workers. The most common benefits provided to part-time workers are paid holiday (44%), vacation (41%) and retirement benefits (37%).
- ✓ Smaller companies (those employing fewer than 100 employees) paid an average of 32.6 % of payroll in benefits. Benefit costs at medium-sized companies (those with 500 to 999 employees) averaged 39.9% of payroll while the largest companies (2,500 or more employees) paid an average of 39.5% of payroll.
- ✓ Manufacturing companies paid an average of 38.6% of payroll in benefits, while the average at non-manufacturing firms was 39.2% of payroll.
- ✓ Payments for medically-related benefits accounted for the largest share of employee benefit costs (11.0%), followed closely by payments for vacation, holidays, and other time not worked (10.9%).

How the Payroll Dollar is Spent

Wages	61.0¢
Medical Benefits	11.0¢
Time Not Worked	10.9¢
Legally Required Payments	8.2¢
Retirement and Savings	8.0¢
Other Benefits and Costs	1.0¢

Value of Employee Benefits by Company Size, 2001



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OVERVIEW OF BENEFIT OFFERINGS

Every company participating in the survey offers employee benefits beyond legally-required benefits (i.e., payroll taxes, workers' compensation, unemployment, etc.). Fixed benefit packages, in which employees receive a set of benefits determined by the company, are the most common type of benefit plan, offered by four out of ten participants (40%). Over half of participating companies provide employees with the freedom to select the benefits they receive through a benefits cafeteria plan or mixed benefits plan package in which part of the benefits are determined by the company and part are determined by the employee. Small companies are the most likely to offer fixed benefits packages (49%) while the largest participating companies are the most likely to provide a benefits cafeteria plan (46%).

Type of Benefit Plan Offered	All Companies	Non-Manufacturing	Manufacturing
Fixed benefit plan	40%	40%	40%
Mixed benefit package	35%	34%	37%
Cafeteria plan	17%	18%	16%
None offered beyond legally-required benefits	0%	0%	0%

Type of Benefit Plan Offered by Company Size	1–99	100–499	500–999	1,000–2,499	2,500 plus
Fixed benefit plan	49%	34%	33%	38%	13%
Mixed benefit package	33%	36%	47%	28%	25%
Cafeteria plan	12%	19%	17%	21%	46%
None offered beyond legally-required benefits	0%	0%	0%	0%	0%

The benefits most commonly offered to full-time employees are paid holidays, health insurance, paid vacation, retirement plans, and life insurance. Less common are paid sick leave, long-term disability, and short-term disability benefits. Non-manufacturing companies are more likely to offer paid sick leave than manufacturing companies (85% vs. 58%) while more manufacturing companies offer short-term disability benefits (70% vs. 55%).

Typically, full-time employees receive more benefits than part-time employees. Nevertheless, four out of ten participating companies offer paid vacation, paid holidays, or retirement plan benefits to part-time employees. In general, non-manufacturing companies are more likely to offer benefits to part-time workers than are manufacturing companies. The greatest disparity between full-time and part-time benefits in the survey is health insurance, which is offered to full-time employees by 99% of participating companies but to part-time workers by only 24% of participating companies.

Benefits Offered to Full-Time & Part-Time Workers

	All Companies		Non-Manufacturing		Manufacturing	
	FT	PT	FT	PT	FT	PT
Paid holidays	99%	44%	99%	50%	99%	29%
Health insurance	99%	24%	99%	29%	99%	11%
Paid vacation	98%	41%	99%	48%	99%	24%
Retirement plan(s)	95%	37%	94%	41%	97%	27%
Life insurance	91%	20%	91%	24%	92%	10%
Paid sick leave	77%	29%	85%	34%	58%	15%
Long-term disability	68%	15%	71%	17%	61%	9%
Short-term disability	59%	13%	55%	15%	70%	9%

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OVERVIEW OF BENEFIT OFFERINGS

In general, larger companies offer a larger number of employee benefits than smaller companies. Large companies are also more likely to offer benefits to part-time workers than are small companies; for example, while only 16% of participating companies with less than 100 employees offer health insurance to part-time workers, 75% of companies with more than 2,500 employees offer such benefits.

Benefits Offered to Full-Time and Part-Time Workers by Company Size

	Number of Employees									
	1–99		100–499		500–999		1,000–2,499		2,500 plus	
	FT	PT	FT	PT	FT	PT	FT	PT	FT	PT
Paid vacation	98%	28%	99%	42%	100%	67%	100%	63%	100%	79%
Health insurance	98%	16%	100%	16%	100%	40%	100%	50%	100%	75%
Paid holidays	98%	35%	100%	44%	100%	63%	100%	50%	100%	75%
Life insurance	83%	13%	98%	14%	100%	40%	100%	33%	100%	63%
Retirement plan(s)	90%	22%	99%	42%	100%	64%	100%	50%	100%	75%
Paid sick leave	73%	23%	75%	24%	83%	40%	83%	42%	100%	67%
Long-term disability	52%	10%	74%	11%	97%	33%	96%	21%	92%	38%
Short-term disability	48%	9%	68%	13%	67%	17%	67%	17%	79%	38%

Four out of ten participating companies offer a flexible spending account for child care; however, such accounts are much more common at large participating companies. Approximately one in four participating firms offer a flexible work schedule. Flexible spending accounts for transportation are even more rare, offered by almost one in ten (9%) participating companies with a majority of employees located in a metropolitan area, and one in fifteen (6%) participating firms overall.

Flexible Work Schedules and Spending Accounts

	All Companies	Non-Manufacturing	Manufacturing
Flexible Spending Accounts for child care	40%	43%	32%
Flexible Work Schedules	24%	27%	17%
Flexible Spending Accounts for transportation	6%	7%	4%

Flexible Work Schedules and Spending Accounts by Company Size

	Number of Employees				
	1–99	100–499	500–999	1,000–2,499	2,500 plus
Flexible Spending Accounts for child care	21%	52%	67%	67%	63%
Flexible Work Schedules	21%	24%	23%	38%	38%
Flexible Spending Accounts for transportation	2%	9%	13%	4%	13%

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Table 1. Employee Benefits by All Industries, by Manufacturing and Non-Manufacturing Industry Groups

Type of Benefit	Percent of Payroll %			Cents Per Hour ¢			Annual Dollars Per Employee $		
	Total, All Companies	Total, Manufacturing	Total, Non-Manufacturing	Total, All Companies	Total, Manufacturing	Total, Non-Manufacturing	Total, All Companies	Total, Manufacturing	Total, Non-Manufacturing
Total Number of Companies Reporting	366	108	258	366	108	258	366	108	258
Total Number of Full-Time Equivalent Employees Reported	464,717	139,017	325,700	464,717	139,017	325,700	464,717	139,017	325,700
Total Benefits	39.0%	38.6%	39.2%	899.9¢	1,204.9¢	769.7¢	$18,254	$23,625	$15,961
Legally Required	8.2	8.0	8.3	186.6	240.9	163.4	3,800	4,755	3,393
Federally-Required Payroll Taxes	6.7	6.6	6.7	154.6	203.2	133.8	3,144	4,005	2,777
Unemployment Compensation	0.4	0.5	0.3	8.2	12.5	6.4	167	250	131
Workers' Compensation Insurance	1.1	0.9	1.2	23.5	25.0	22.8	481	493	476
Other	0.0	0.0	0.0	0.4	0.4	0.4	8	8	9
Payments for Time Not Worked	10.9	11.3	10.8	253.6	356.5	209.7	5,147	6,986	4,363
Payments for Holidays	3.1	3.4	3.1	72.3	106.7	57.6	1,458	2,084	1,190
Paid Breaks, Etc.	1.0	1.0	1.0	21.0	30.0	17.1	434	591	367
Sick Leave Pay	1.5	1.0	1.8	32.1	33.4	31.5	652	648	654
Payments for Vacations	4.1	4.9	3.7	100.3	159.3	75.1	2,009	3,105	1,541
Paid Time Off	1.0	0.8	1.1	24.7	22.8	25.6	528	475	550
Family and Medical Leave Pay	0.0	0.0	0.0	0.4	0.1	0.5	8	2	10
Other	0.1	0.1	0.1	3.0	4.2	2.5	60	81	50
Medical and Medically-Related Payments	11.0	13.7	9.9	268.8	433.3	198.5	5,415	8,473	4,110
STD, Sickness or Accident Insurance	0.3	0.5	0.2	8.9	16.8	5.5	177	326	114
LTD or Wage Continuation	0.2	0.1	0.3	4.6	1.7	5.8	95	36	119
Medical Insurance Premiums	7.4	7.3	7.5	167.0	213.1	147.4	3,400	4,209	3,055
Dental Insurance Premiums	0.6	0.8	0.5	14.5	25.5	9.8	291	499	201
Vision Care	0.0	0.0	0.0	0.5	0.4	0.5	10	8	11
Retiree Medical Insurance Premiums	1.3	3.1	0.5	39.6	107.7	10.5	773	2,076	216
Life Insurance and Death	0.5	1.1	0.2	14.7	37.6	4.9	288	727	101
Prescription Drug Coverage	0.3	0.1	0.4	6.0	1.4	7.9	124	30	164
Other	0.0	0.0	0.0	0.4	0.0	0.6	9	0	13
Administration Costs	0.5	0.8	0.3	12.6	29.0	5.5	248	560	115
Retirement and Savings	8.0	4.5	9.6	168.6	139.1	181.2	3,444	2,730	3,749
Defined Benefit Pension Plan	2.9	0.3	4.1	50.8	6.5	69.8	1,049	134	1,439
Cash Balance or Other Hybrid Plan	0.1	0.0	0.2	2.0	0.0	2.8	41	0	58
401K and similar	2.4	2.5	2.3	57.2	81.0	47.1	1,156	1,581	974
Profit-Sharing	1.1	0.2	1.5	23.1	4.0	31.2	481	85	650
Stock Bonus/ESOP	0.0	0.0	0.0	0.5	0.3	0.6	10	6	11
Other	1.1	0.7	1.2	24.9	20.4	26.8	510	404	555
Administration Costs	0.4	0.8	0.2	10.1	26.9	2.9	198	520	60
Miscellaneous Benefit Pay	0.8	1.1	0.7	22.3	35.0	16.9	446	680	346
Severance Pay	0.4	0.7	0.2	11.6	23.0	6.7	230	447	137
Child Care	0.0	0.0	0.0	0.2	0.0	0.3	4	0	6
Employee Education Expenditures	0.3	0.3	0.3	6.7	8.1	6.1	135	158	125
Discounts	0.0	0.0	0.1	0.9	1.0	0.9	19	19	19
Other	0.1	0.1	0.1	2.9	2.8	3.0	59	55	60

USCC 56495

Table 2. Five Levels of Employee Benefits

Among All Responding Companies	Percent of Payroll	Cents Per Payroll Hour	Annual Dollars Per Employee
10% of companies paid more than	48.7%	1,200.6¢	$24,088
25% of companies paid more than	40.5%	944.0¢	$19,660
50% of companies paid more than	33.3%	659.4¢	$13,817
75% of companies paid more than	26.4%	455.3¢	$ 9,649
90% of companies paid more than	22.2%	299.2¢	$ 6,396

Among Manufacturing Companies	Percent of Payroll	Cents Per Payroll Hour	Annual Dollars Per Employee
10% of companies paid more than	48.7%	1,111.8¢	$23,126
25% of companies paid more than	39.3%	884.5¢	$17,694
50% of companies paid more than	33.2%	583.8¢	$12,901
75% of companies paid more than	27.0%	456.7¢	$ 9,663
90% of companies paid more than	22.8%	287.4¢	$ 6,247

NonManufacturing Companies	Percent of Payroll	Cents Per Payroll Hour	Annual Dollars Per Employee
10% of companies paid more than	49.1%	1,238.5¢	$25,760
25% of companies paid more than	41.3%	962.8¢	$20,168
50% of companies paid more than	33.7%	674.7¢	$14,045
75% of companies paid more than	26.1%	454.9¢	$ 9,644
90% of companies paid more than	21.9%	302.9¢	$ 6,510

Among Small Companies (less than 100 employees)	Percent of Payroll	Cents Per Payroll Hour	Annual Dollars Per Employee
10% of companies paid more than	46.5%	1,123.2¢	$21,987
25% of companies paid more than	38.6%	787.2¢	$16,720
50% of companies paid more than	31.8%	542.7¢	$11,506
75% of companies paid more than	25.1%	375.7¢	$ 8,119
90% of companies paid more than	21.4%	277.0¢	$ 5,824

Among Medium-sized Companies (100 to 499 employees)	Percent of Payroll	Cents Per Payroll Hour	Annual Dollars Per Employee
10% of companies paid more than	52.3%	1,111.8¢	$23,459
25% of companies paid more than	42.6%	953.5¢	$19,785
50% of companies paid more than	35.2%	664.7¢	$13,798
75% of companies paid more than	26.1%	468.5¢	$10,060
90% of companies paid more than	21.4%	301.1¢	$ 6,293

Among Large Companies (500 or more employees)	Percent of Payroll	Cents Per Payroll Hour	Annual Dollars Per Employee
10% of companies paid more than	51.3%	1,380.3¢	$28,479
25% of companies paid more than	43.4%	1,089.1¢	$22,746
50% of companies paid more than	35.9%	882.6¢	$17,653
75% of companies paid more than	31.5%	667.1¢	$13,950
90% of companies paid more than	26.8%	478.2¢	$10,442

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Table 3. Employee Benefits as Annual Dollars per Employee, by Company Size

Type of Benefit	Total, All Companies	Under 100 Employees	100–499 Employees	500–999 Employees	1,000–2,499 Employees	2,500 Employees and Over
Total Number of Companies Reporting	366	171	118	29	24	24
Total Benefits as Annual Dollars	$18,254	$13,064	$16,207	$19,991	$18,910	$18,308
Legally-Required Payments	3,800	3,890	4,261	4,453	4,322	3,672
Federally-Required Payroll Taxes	3,144	2,887	3,247	3,758	3,695	3,045
Unemployment Compensation	167	304	283	203	198	151
Workers' Compensation Insurance	481	662	697	388	423	475
Other	8	37	34	104	6	1
Payments for Time Not Worked	5,147	3,638	4,447	5,477	5,047	5,213
Payments for Holidays	1,458	1,052	1,250	1,386	1,423	1,487
Paid Breaks, Etc.	434	451	618	442	538	409
Sick Leave Pay	652	345	357	524	329	721
Payments for Vacations	2,009	1,348	1,601	1,951	1,828	2,071
Paid Time Off	528	395	526	1,020	839	467
Family and Medical Leave Pay	8	13	25	14	30	4
Other	60	33	71	140	60	55
Medical and Medically-Related Benefit Payments	5,415	3,340	4,411	5,912	5,699	5,458
STD, Sickness or Accident Insurance	177	42	162	149	247	175
LTD or Wage Continuation	95	103	128	180	198	76
Medical Insurance Premiums	3,400	2,897	3,546	4,626	3,937	3,269
Dental Insurance Premiums	291	108	186	362	288	297
Vision Care	10	7	11	21	15	9
Retiree Medical Insurance Premiums	773	19	108	134	407	908
Life Insurance and Death	288	100	122	175	141	326
Prescription Drug Coverage	124	22	78	138	232	116
Other	9	21	8	5	68	3
Administration Costs	248	21	62	124	167	280
Retirement and Savings	3,444	1,928	2,640	3,756	3,449	3,506
Defined Benefit Pension Plan	1,049	419	918	1,152	1,078	1,060
Cash Balance or Other Hybrid Plan	41	24	27	0	41	44
401K and similar	1,156	727	824	1,377	1,517	1,132
Profit-Sharing	481	425	269	433	270	522
Stock Bonus/ESOP	10	22	61	53	44	0
Other	510	251	484	687	364	523
Administration Costs	198	60	58	54	134	225
Miscellaneous Benefit Pay	446	269	448	393	393	458
Severance Pay	230	51	214	195	194	240
Child Care	4	4	1	1	0	5
Employee Education Expenditures	135	135	169	159	141	131
Discounts	19	4	11	11	48	17
Other	59	76	53	27	10	66

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Table 4. Employee Benefits as Cents per Hour, by Company Size

Type of Benefit	Total, All Companies	Under 100 Employees	100–499 Employees	500–999 Employees	1,000–2,499 Employees	2,500 Employees and Over
Total Number of Companies Reporting	366	171	118	29	24	24
Total Benefits as Cents Per Hour	899.9¢	619.4¢	778.1¢	963.3¢	909.5¢	908.3¢
Legally-Required Payments	186.6	184.1	203.4	214.5	207.7	181.6
Federally-Required Payroll Taxes	154.6	136.5	155.5	181.1	177.6	150.7
Unemployment Compensation	8.2	14.4	13.5	9.7	9.5	7.5
Workers' Compensation Insurance	23.5	31.4	32.9	18.7	20.4	23.3
Other	0.4	1.7	1.6	5.0	0.3	0.0
Payments for Time Not Worked	253.6	172.4	214.1	264.7	242.6	258.3
Payments for Holidays	72.3	50.1	60.2	66.9	68.4	74.2
Paid Breaks, Etc.	21.0	21.3	29.7	21.7	25.8	19.8
Sick Leave Pay	32.1	16.3	17.2	25.1	15.8	35.6
Payments for Vacations	100.3	63.7	76.8	94.1	87.8	104.2
Paid Time Off	24.7	18.8	25.6	49.5	40.4	21.6
Family and Medical Leave Pay	0.4	0.6	1.2	0.7	1.4	0.2
Other	3.0	1.6	3.4	6.8	2.9	2.8
Medical and Medically-Related Benefit Payments	268.8	158.8	211.1	284.1	274.3	273.0
STD, Sickness or Accident Insurance	8.9	2.0	7.8	7.3	11.9	8.8
LTD or Wage Continuation	4.6	4.9	6.1	8.7	9.5	3.7
Medical Insurance Premiums	167.0	137.6	169.4	222.1	189.4	161.7
Dental Insurance Premiums	14.5	5.2	8.9	17.4	13.9	14.9
Vision Care	0.5	0.3	0.5	1.0	0.7	0.4
Retiree Medical Insurance Premiums	39.6	0.9	5.3	6.6	19.6	46.7
Life Insurance and Death	14.7	4.7	5.9	8.4	6.8	16.7
Prescription Drug Coverage	6.0	1.0	3.8	6.5	11.2	5.6
Other	0.4	1.0	0.4	0.2	3.3	0.1
Administration Costs	12.6	1.0	3.0	6.0	8.0	14.3
Retirement and Savings	168.6	91.4	127.3	181.0	166.2	172.3
Defined Benefit Pension Plan	50.8	19.8	44.5	55.6	52.0	51.4
Cash Balance or Other Hybrid Plan	2.0	1.2	1.5	0.0	2.0	2.1
401K and similar	57.2	34.7	39.5	67.0	73.0	56.5
Profit-Sharing	23.1	20.0	12.7	21.1	13.0	25.1
Stock Bonus/ESOP	23.1	20.0	12.7	21.1	13.0	25.1
Other	23.1	20.0	12.7	21.1	13.0	25.1
Administration Costs	10.1	2.8	2.8	2.6	6.4	11.5
Miscellaneous Benefit Pay	10.1	2.8	2.8	2.6	6.4	11.5
Severance Pay	10.1	2.8	2.8	2.6	6.4	11.5
Child Care	0.2	0.2	0.0	0.0	0.0	0.2
Employee Education Expenditures	6.7	6.4	8.4	7.8	6.8	6.5
Discounts	0.9	0.2	0.5	0.5	2.3	0.8
Other	2.9	3.6	2.6	1.3	0.4	3.3

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Table 5. Employee Benefits as Percent of Payroll, by Company Size

Type of Benefit	Total, All Companies	Under 100 Employees	100–499 Employees	500–999 Employees	1,000–2,499 Employees	2,500 Employees and Over
Total Number of Companies Reporting	366	171	118	29	24	24
Total Benefits as Percent of Payroll	39.0%	32.6%	36.8%	39.9%	36.9%	39.5%
Legally-Required Payments	8.2	10.4	9.8	8.7	8.7	8.0
Federally-Required Payroll Taxes	6.7	7.3	7.3	7.2	7.2	6.6
Unemployment Compensation	0.4	0.9	0.7	0.4	0.5	0.3
Workers' Compensation Insurance	1.1	2.1	1.8	0.8	1.0	1.1
Other	0.0	0.1	0.1	0.3	0.0	0.0
Payments for Time Not Worked	10.9	8.8	10.0	10.7	10.0	11.1
Payments for Holidays	3.1	2.5	2.7	2.8	2.7	3.2
Paid Breaks, Etc.	1.0	1.3	1.7	0.9	1.3	0.9
Sick Leave Pay	1.5	0.8	0.8	1.0	0.7	1.7
Payments for Vacations	4.1	3.2	3.5	3.7	3.6	4.2
Paid Time Off	1.0	0.9	1.2	2.0	1.5	0.9
Family and Medical Leave Pay	0.0	0.0	0.1	0.0	0.1	0.0
Other	0.1	0.1	0.2	0.3	0.2	0.1
Medical and Medically-Related Benefit Payments	11.0	8.4	10.4	12.2	11.0	11.0
STD, Sickness or Accident Insurance	0.3	0.1	0.4	0.3	0.5	0.3
LTD or Wage Continuation	0.2	0.2	0.3	0.4	0.4	0.2
Medical Insurance Premiums	7.4	7.5	8.4	9.6	7.8	7.2
Dental Insurance Premiums	0.6	0.2	0.4	0.7	0.5	0.6
Vision Care	0.0	0.0	0.0	0.0	0.0	0.0
Retiree Medical Insurance Premiums	1.3	0.0	0.2	0.2	0.7	1.5
Life Insurance and Death	0.5	0.2	0.3	0.3	0.3	0.5
Prescription Drug Coverage	0.3	0.0	0.2	0.3	0.4	0.3
Other	0.0	0.0	0.0	0.0	0.1	0.0
Administration Costs	0.5	0.0	0.2	0.3	0.3	0.5
Retirement and Savings	8.0	4.4	5.7	7.5	6.5	8.5
Defined Benefit Pension Plan	2.9	0.9	1.9	2.4	2.2	3.2
Cash Balance or Other Hybrid Plan	0.1	0.0	0.1	0.0	0.1	0.1
401K and similar	2.4	1.7	1.8	2.5	2.6	2.4
Profit-Sharing	1.1	1.0	0.7	1.0	0.5	1.3
Stock Bonus/ESOP	0.0	0.0	0.2	0.1	0.2	0.0
Other	1.1	0.5	1.0	1.3	0.7	1.1
Administration Costs	0.4	0.1	0.1	0.1	0.2	0.4
Miscellaneous Benefit Pay	0.8	0.6	0.9	0.8	0.7	0.8
Severance Pay	0.4	0.1	0.3	0.3	0.3	0.4
Child Care	0.0	0.0	0.0	0.0	0.0	0.0
Employee Education Expenditures	0.3	0.3	0.4	0.4	0.3	0.3
Discounts	0.0	0.0	0.0	0.0	0.1	0.0
Other	0.1	0.1	0.1	0.1	0.0	0.1

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Table 6. Employee Benefits as Percent of Payroll, by Geographic Region, Metropolitan, and Non-Metropolitan Groups

Type of Benefit	East North Central (WI, IL, MI, IN, OH)	East South Central (KY, TN, MS, AL)	Middle Atlantic (NY, PA, NJ)	Mountain (MT, ID, WY, NV, UT, CO, AZ, NM)	New England (ME, VT, NH, MA, CT, RI)	Pacific (WA, OR, CA, HI, AK)	South Atlantic (WV, VA, MD, DE, DC, NC, SC, GA, FL)	West North Central (ND, SD, NE, KS, MN, IA, MO)	West South Central (TX, OK, AR, LA)	Metropolitan area	Non-metropolitan area
Total Number of Companies Reporting	86	29	33	32	18	42	42	51	26	193	173
Total Benefits as a Percent of Payroll	38.9%	36.1%	32.5%	32.4%	35.0%	39.2%	36.4%	39.4%	49.3%	39.2%	38.7%
Legally-Required Payments	7.6	9.2	8.7	8.6	9.5	9.0	7.9	8.0	10.1	8.0	8.6
Federally-Required Payroll Taxes	6.4	7.3	7.4	7.4	7.4	7.0	7.2	6.5	6.6	6.5	6.9
Unemployment Compensation	0.4	0.5	0.4	0.5	0.6	0.7	0.3	0.3	0.3	0.3	0.5
Workers' Compensation Insurance	0.8	1.3	0.9	0.6	0.8	1.3	0.4	1.2	3.2	1.1	1.2
Other	0.0	0.1	0.0	0.0	0.7	0.0	0.0	0.0	0.1	0.0	0.0
Payments for Time Not Worked	11.6	10.1	9.3	10.1	11.9	8.8	12.3	10.5	10.7	11.0	10.8
Payments for Holidays	3.7	2.6	3.1	2.7	3.2	2.3	2.7	3.3	1.9	2.8	3.6
Paid Breaks, Etc.	1.3	1.3	0.2	0.4	1.2	0.6	3.3	0.3	0.1	1.0	1.0
Sick Leave Pay	1.3	1.1	0.9	0.3	1.5	0.6	1.8	2.0	3.1	1.4	1.8
Payments for Vacations	4.8	4.2	5.1	1.2	5.3	3.4	4.0	3.2	4.9	4.5	3.5
Paid time off	0.5	0.7	0.0	5.5	0.3	1.5	0.3	1.5	0.5	1.1	0.8
Family and Medical Leave Pay	0.0	0.0	0.0	0.0	0.2	0.0	0.0	0.0	0.0	0.0	0.0
Other	0.1	0.1	0.0	0.1	0.2	0.4	0.3	0.1	0.1	0.2	0.1
Medical and Medically-Related Benefit Payments	12.0	9.5	9.1	8.7	9.4	9.8	10.9	10.2	12.0	11.9	9.8
STD, Sickness or Accident Insurance	0.4	0.1	0.2	0.2	0.1	0.4	0.2	0.3	0.1	0.5	0.1
LTD or Wage Continuation	0.1	0.3	0.4	0.1	0.5	0.3	0.2	0.4	0.2	0.2	0.3
Medical Insurance Premiums	6.6	7.9	7.4	6.2	8.0	7.6	9.3	8.0	8.9	7.0	8.0
Dental Insurance Premiums	0.7	0.5	0.2	0.5	0.5	0.6	0.5	0.1	1.1	0.7	0.3
Vision Care	0.0	0.0	0.0	0.1	0.0	0.1	0.0	0.0	0.0	0.0	0.0
Retiree Medical Insurance Premiums	2.5	0.0	0.1	0.6	0.0	0.2	0.0	0.8	0.2	1.8	0.5
Life Insurance and Death	0.9	0.4	0.2	0.2	0.2	0.2	0.2	0.3	0.1	0.7	0.2
Prescription Drug Coverage	0.1	0.2	0.6	0.6	0.0	0.1	0.1	0.1	0.7	0.4	0.1
Other	0.0	0.0	0.0	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Administration Costs	0.7	0.0	0.0	0.2	0.0	0.2	0.5	0.1	0.6	0.7	0.2
Retirement and Savings	6.7	6.9	4.2	4.7	3.6	10.1	4.5	9.9	16.3	7.3	9.1
Defined Benefit Pension Plan	1.2	2.9	1.3	1.3	2.2	1.9	0.8	8.2	0.2	1.1	5.6
Cash Balance or Other Hybrid Plan	0.3	0.0	0.0	0.0	0.0	0.0	0.1	0.0	0.0	0.0	0.3
401k and Similar	3.2	3.0	1.3	2.6	0.8	2.4	1.4	1.1	4.4	2.5	2.2
Profit-Sharing	0.1	0.4	0.2	0.3	0.2	2.5	1.9	0.2	8.0	1.6	0.4
Stock Bonus/ESOP	0.0	0.0	0.0	0.1	0.0	0.1	0.0	0.1	0.0	0.0	0.1
Other	1.3	0.2	1.4	0.2	0.2	2.9	0.2	0.1	3.6	1.5	0.4
Administration Costs	0.6	0.3	0.0	0.2	0.1	0.3	0.0	0.3	0.0	0.4	0.2
Miscellaneous Benefit Pay	0.9	0.4	1.2	0.2	0.6	1.5	0.8	0.8	0.2	1.1	0.4
Severance Pay	0.6	0.2	0.8	0.1	0.3	0.5	0.1	0.1	0.1	0.6	0.1
Child Care	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Employee Education Expenditures	0.2	0.2	0.2	0.1	0.3	0.3	0.5	0.4	0.0	0.3	0.3
Discounts	0.0	0.0	0.0	0.0	0.0	0.5	0.0	0.0	0.1	0.1	0.0
Other	0.1	0.0	0.2	0.0	0.0	0.2	0.1	0.2	0.0	0.2	0.0

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Table 7. Employee Benefits as Annual Dollars per Employee, by Manufacturing and Non-Manufacturing Industry Groups

Type of Benefit	Total, All Manufacturing	Total, All Non-Manufacturing
Total Employee Benefits as Annual Dollars, Per Employee	$23,625	$15,961
I. Legally-Required Payments	4,755	3,393
1. Federally-Required Payroll Taxes	4,005	2,777
2. Unemployment Compensation	250	131
3. Workers' Compensation Insurance	493	476
4. Other	8	9
II. Payments for Time Not Worked	6,986	4,363
1. Payments for Holidays	2,084	1,190
2. Paid Breaks, Etc.	591	367
3. Sick Leave Pay	648	654
4. Payments for Vacations	3,105	1,541
5. Paid Time Off	475	550
6. Family and Medical Leave Pay	2	10
7. Other	81	50
III. Medical and Medically-Related Benefit Payments	8,473	4,110
1. STD, Sickness or Accident Insurance	326	114
2. LTD or Wage Continuation	36	119
3. Medical Insurance Premiums	4,209	3,055
4. Dental Insurance Premiums	499	201
5. Vision Care	8	11
6. Retiree Medical Insurance Premiums	2,076	216
7. Life Insurance and Death	727	101
8. Prescription Drug Coverage	30	164
9. Other	0	13
10. Administration Costs	560	115
IV. Retirement and Savings	2,730	3,749
1. Defined Benefit Pension Plan	134	1,439
2. Cash Balance or Other Hybrid Plan	0	58
3. 401K and similar	1,581	974
4. Profit-Sharing	85	650
5. Stock Bonus/ESOP	6	11
6. Other	404	555
7. Administration Costs	520	60
V. Miscellaneous Benefit Pay	680	346
1. Severance Pay	447	137
2. Child Care	0	6
3. Employee Education Expenditures	158	125
4. Discounts	19	19
5. Other	55	60

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Table 8. Employee Benefits as Cents per Payroll Hour, by Manufacturing and Non-Manufacturing Industry Groups

Type of Benefit	Total, All Manufacturing	Total, All Non-Manufacturing
Total Employee Benefits as Cents per Hour	1,204.9¢	769.7¢
I. Legally-Required Payments	240.9	163.4
1. Federally-Required Payroll Taxes	203.2	133.8
2. Unemployment Compensation	12.5	6.4
3. Workers' Compensation Insurance	25.0	22.8
4. Other	0.4	0.4
II. Payments for Time Not Worked	356.5	209.7
1. Payments for Holidays	106.7	57.6
2. Paid Breaks, Etc.	30.0	17.1
3. Sick Leave Pay	33.4	31.5
4. Payments for Vacations	159.3	75.1
5. Paid Time Off	22.8	25.6
6. Family and Medical Leave Pay	0.1	0.5
7. Other	4.2	2.5
III. Medical and Medically-Related Benefit Payments	433.3	198.5
1. STD, Sickness or Accident Insurance	16.8	5.5
2. LTD or Wage Continuation	1.7	5.8
3. Medical Insurance Premiums	213.1	147.4
4. Dental Insurance Premiums	25.5	9.8
5. Vision Care	0.4	0.5
6. Retiree Medical Insurance Premiums	107.7	10.5
7. Life Insurance and Death	37.6	4.9
8. Prescription Drug Coverage	1.4	7.9
9. Other	0.0	0.6
10. Administration Costs	29.0	5.5
IV. Retirement and Savings	139.1	181.2
1. Defined Benefit Pension Plan	6.5	69.8
2. Cash Balance or Other Hybrid Plan	0.0	2.8
3. 401K and similar	81.0	47.1
4. Profit-Sharing	4.0	31.2
5. Stock Bonus/ESOP	0.3	0.6
6. Other	20.4	26.8
7. Administration Costs	26.9	2.9
V. Miscellaneous Benefit Pay	35.0	16.9
1. Severance Pay	23.0	6.7
2. Child Care	0.0	0.3
3. Employee Education Expenditures	8.1	6.1
4. Discounts	1.0	0.9
5. Other	2.8	3.0

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Table 9. Employee Benefits as Percent of Payroll, by Manufacturing and Non-Manufacturing Industry Groups

Type of Benefit	Total, All Manufacturing	Total, All Non-Manufacturing
Total Benefits as Percent of Payroll	38.6%	39.2%
I. Legally-Required Payments	8.0	8.3
1. Federally-Required Payroll Taxes	6.6	6.7
2. Unemployment Compensation	0.5	0.3
3. Workers' Compensation Insurance	0.9	1.2
4. Other	0.0	0.0
II. Payments for Time Not Worked	11.3	10.8
1. Payments for Holidays	3.4	3.1
2. Paid Breaks, Etc.	1.0	1.0
3. Sick Leave Pay	1.0	1.8
4. Payments for Vacations	4.9	3.7
5. Paid Time Off	0.8	1.1
6. Family and Medical Leave Pay	0.0	0.0
7. Other	0.1	0.1
III. Medical and Medically-Related Benefit Payments	13.7	9.9
1. STD, Sickness or Accident Insurance	0.5	0.2
2. LTD or Wage Continuation	0.1	0.3
3. Medical Insurance Premiums	7.3	7.5
4. Dental Insurance Premiums	0.8	0.5
5. Vision Care	0.0	0.0
6. Retiree Medical Insurance Premiums	3.1	0.5
7. Life Insurance and Death	1.1	0.2
8. Prescription Drug Coverage	0.1	0.4
9. Other	0.0	0.0
10. Administration Costs	0.8	0.3
IV. Retirement and Savings	4.5	9.6
1. Defined Benefit Pension Plan	0.3	4.1
2. Cash Balance or Other Hybrid Plan	0.0	0.2
3. 401K and similar	2.5	2.3
4. Profit-Sharing	0.2	1.5
5. Stock Bonus/ESOP	0.0	0.0
6. Other	0.7	1.2
7. Administration Costs	0.8	0.2
V. Miscellaneous Benefit Pay	1.1	0.7
1. Severance Pay	0.7	0.2
2. Child Care	0.0	0.0
3. Employee Education Expenditures	0.3	0.3
4. Discounts	0.0	0.1
5. Other	0.1	0.1

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Table 10. Employee Benefits as Annual Dollars per Employee by Manufacturing Industry Group

Type of Benefit	Total, All Manufacturing	Machinery	Computer, Electronic, and Electrical Equipment, Products, and Components	Fabricated Metal Products	Pulp, Paper, Lumber and Furniture	Food, Beverage, and Tobacco	Rubber, Leather, Plastic, and Allied Products	Chemicals (including pharmaceutical companies)	Other Manufacturing Industries
Total Number of Companies Reporting	108	14	19	24	13	7	10	7	14
Total Benefits as Annual Dollars per Employee	$23,625	$24,940	$25,680	$14,842	$13,562	$14,894	$11,702	$23,769	$11,274
Legally-Required	4,755	5,357	4,918	4,780	3,800	4,399	3,119	4,524	3,250
Federally-Required Payroll Taxes	4,005	3,546	4,261	3,278	2,570	2,901	2,358	4,081	2,553
Unemployment Compensation	250	279	215	271	622	566	292	131	385
Workers' Compensation Insurance	493	1,149	442	1,231	569	931	460	312	311
Other	8	383	0	0	40	0	9	0	0
Payments for Time Not Worked	6,986	5,770	7,861	3,454	3,711	4,001	3,247	5,451	2,247
Payments for Holidays	2,084	1,891	2,373	853	949	1,085	915	1,213	1,009
Paid Breaks, Etc.	591	823	590	917	1,095	593	931	213	177
Sick Leave Pay	648	407	764	152	162	270	65	413	156
Payments for Vacations	3,105	1,906	3,466	1,480	1,388	1,835	1,196	3,355	896
Paid time off	475	587	570	15	91	185	75	228	0
Family and Medical Leave Pay	2	77	0	16	1	0	3	0	2
Other	81	79	97	22	25	33	61	29	6
Medical and Medically-Related Payments	8,473	12,213	9,272	5,034	3,609	4,283	4,249	8,326	4,257
STD, Sickness or Accident Insurance	326	129	384	287	106	138	95	114	40
LTD or Wage Continuation	36	47	9	150	55	98	63	308	28
Medical Insurance Premiums	4,209	10,572	4,104	4,472	2,815	3,051	3,918	5,803	4,057
Dental Insurance Premiums	499	739	563	38	163	460	65	438	69
Vision Care	8	12	7	3	0	52	0	0	2
Retiree Medical Insurance Premiums	2,076	94	2,614	0	0	204	0	825	11
Life Insurance and Death	727	213	900	45	103	133	90	272	24
Prescription Drug Coverage	30	248	1	7	247	115	0	235	19
Other	0	0	0	4	6	0	0	0	0
Administration Costs	560	158	690	26	114	35	18	331	6
Retirement and Savings	2,730	1,453	2,828	1,533	2,084	1,916	796	4,931	1,501
Defined Benefit Pension Plan	134	556	0	634	432	457	0	1,335	78
Cash Balance or Other Hybrid Plan	0	0	0	0	0	0	0	0	0
401K and similar	1,581	583	1,828	558	575	709	384	1,134	692
Profit-Sharing	85	212	12	204	187	146	329	488	641
Stock Bonus/ESOP	6	26	0	2	139	0	0	0	29
Other	404	20	344	94	679	552	65	1,702	30
Administration Costs	520	57	643	41	72	52	18	271	30
Miscellaneous Benefit Pay	680	146	802	42	358	295	291	538	19
Severance Pay	447	84	524	2	253	200	90	437	2
Child Care	0	0	0	0	0	0	0	0	0
Employee Education Expenditures	158	34	188	36	39	70	188	82	17
Discounts	19	4	23	0	0	25	1	0	0
Other	55	24	66	3	66	0	11	19	0

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Table 11. Employee Benefits as Annual Dollars per Employee by Non-Manufacturing Industry Group

Type of Benefit	Total, All Non-Manufacturing	Retail Trade	Health Care (including hospitals)	Wholesale Trade	Finance and Insurance	Construction	Transportation, Distribution and Warehousing	Social Assistance	Public Utilities	Educational Services	Support and Management Services	Information (e.g., data processing, information services, and publishing)	Professional, Scientific, and Technical Services (e.g., consulting, legal, accounting, and network services)	Other Non-Manufacturing Industries
Total Number of Companies Reporting	258	14	38	11	45	29	14	8	20	7	5	7	26	34
Total Benefits as Annual Dollars per Employee	$15,961	$9,490	$10,949	$14,763	$18,678	$15,627	$20,820	$8,248	$26,376	$23,759	$17,974	$18,130	$23,017	$14,712
Legally-Required	3,393	2,632	2,899	4,617	4,018	5,144	4,295	2,684	5,080	4,495	5,106	6,873	6,809	2,173
Federally-Required Payroll Taxes	2,777	1,926	2,392	3,289	3,705	3,841	2,873	1,998	4,355	4,118	4,053	4,582	6,215	1,771
Unemployment Compensation	131	289	110	244	165	372	135	117	93	163	564	774	351	63
Workers' Compensation Insurance	476	410	397	1,083	130	930	1,258	568	632	214	489	1,517	210	339
Other	9	7	1	2	18	1	30	0	0	1	0	0	33	0
Payments for Time Not Worked	4,363	1,562	3,298	2,797	5,458	4,168	4,762	2,668	6,799	6,916	3,685	5,737	5,719	4,158
Payments for Holidays	1,190	357	1,021	609	1,325	1,353	794	771	1,841	2,268	1,146	1,578	2,594	1,363
Paid Breaks, Etc.	367	40	440	1,084	653	162	253	410	937	73	29	115	32	46
Sick Leave Pay	654	197	370	354	337	17	1,316	459	527	652	15	343	585	1,034
Payments for Vacations	1,541	964	873	724	1,783	293	2,298	888	1,609	3,271	73	1,193	2,181	1,682
Paid Time Off	550	0	547	9	1,264	2,257	1	97	1,800	423	2,216	2,482	251	31
Family and Medical Leave Pay	10	3	23	8	10	73	0	0	0	0	7	14	56	0
Other	50	1	25	8	87	13	100	42	86	229	199	12	19	2
Medical and Medically-Related Payments	4,110	1,790	2,686	4,334	5,274	4,373	4,825	2,314	8,175	6,230	3,452	3,962	5,049	3,711
STD, Sickness or Accident Insurance	114	35	87	177	283	139	35	9	93	164	256	467	228	32
LTD or Wage Continuation	119	47	74	81	158	116	75	32	246	167	130	519	171	147
Medical Insurance Premiums	3,055	1,486	2,223	3,200	3,900	2,636	3,492	2,125	4,015	4,860	2,430	2,490	3,944	2,873
Dental Insurance Premiums	201	53	137	358	248	247	386	105	351	443	337	248	462	62
Vision Care	11	14	2	37	23	41	1	0	14	6	49	57	35	13
Retiree Medical Insurance Premiums	216	0	4	0	227	315	0	0	2,162	317	0	153	0	329
Life Insurance and Death	101	28	34	78	176	151	96	43	208	194	250	17	182	96
Prescription Drug Coverage	164	0	61	400	93	415	415	0	722	27	0	0	0	129
Other	13	9	0	0	4	119	0	0	203	2	0	0	0	12
Administration Costs	115	118	65	4	162	195	324	0	161	50	0	11	25	18
Retirement and Savings	3,749	2,924	1,954	2,746	3,137	1,818	6,826	437	5,154	5,534	5,476	1,210	4,377	4,478
Defined Benefit Pension Plan	1,439	0	641	0	1,156	52	664	4	2,624	2,937	793	484	34	3,230
Cash Balance or Other Hybrid Plan	58	0	149	0	1	40	0	0	350	68	0	0	0	0
401K and similar	974	175	977	241	1,074	1,341	1,599	317	1,722	2,495	3,643	386	3,435	183
Profit-Sharing	650	1,278	102	2,259	462	90	3,190	104	27	0	0	88	40	4
Stock Bonus/ESOP	11	0	13	41	19	93	0	0	21	0	0	0	134	0
Other	555	1,330	48	38	400	174	1,372	0	141	24	1,018	240	698	927
Administration Costs	60	141	23	168	26	28	1	12	269	11	22	13	37	134
Miscellaneous Benefit Pay	346	582	113	268	790	124	112	145	1,167	584	255	349	1,063	192
Severance Pay	137	275	7	0	292	34	42	33	990	35	218	246	885	63
Child Care	6	0	0	0	26	4	1	0	0	0	0	0	6	0
Employee Education Expenditures	125	21	93	126	197	62	65	113	152	319	23	87	161	126
Discounts	19	277	5	130	35	9	1	0	0	0	0	16	0	2
Other	60	10	7	12	241	16	4	0	24	230	13	0	11	1

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Table 12. Employee Benefits as Cents per Hour by Manufacturing Industry Group

Type of Benefit	Total, All Manufacturing	Machinery	Computer, Electronic, and Electrical Equipment, Products and Components	Fabricated Metal Products	Pulp, Paper, Lumber, and Furniture	Food, Beverage, and Tobacco	Rubber, Leather, and Plastic, and Allied Products	Chemicals (including pharmaceutical companies)	Other Manufacturing Industries
Total Number of Companies Reporting	108	14	19	24	13	7	10	7	14
Total Benefits as Cents per Hour	1,204.9¢	1,189.2¢	1,326.0¢	704.2¢	614.3¢	725.6¢	532.2¢	1,142.8¢	541.4¢
Legally-Required	240.9	255.2	253.0	226.2	173.6	213.3	141.8	217.5	156.0
Federally-Required Payroll Taxes	203.2	168.7	219.0	155.1	116.9	140.4	107.2	196.2	122.6
Unemployment Compensation	12.5	13.3	11.0	12.6	28.5	27.6	13.3	6.3	18.5
Workers' Compensation Insurance	25.0	54.8	22.9	58.5	26.4	45.3	20.9	15.0	14.9
Other	0.4	18.4	0.0	0.0	1.9	0.0	0.4	0.0	0.0
Payments for Time Not Worked	356.5	275.3	405.1	164.1	169.2	194.2	147.4	262.0	107.9
Payments for Holidays	106.7	90.3	122.6	40.4	43.0	52.7	41.5	58.3	48.5
Paid Breaks, Etc.	30.0	38.9	30.6	43.6	51.1	29.0	42.3	10.2	8.4
Sick Leave Pay	33.4	19.5	39.7	7.2	7.1	13.0	3.0	19.9	7.5
Payments for Vacations	159.3	91.0	179.8	70.3	62.4	88.5	54.2	161.3	43.0
Paid Time Off	22.8	28.0	27.4	0.7	4.4	9.4	3.6	11.0	0.0
Family and Medical Leave Pay	0.1	3.7	0.0	0.7	0.1	0.0	0.1	0.0	0.1
Other	4.2	3.8	5.0	1.1	1.2	1.6	2.7	1.4	0.3
Medical and Medically-Related Payments	433.3	583.7	480.0	239.0	161.3	209.4	193.4	400.3	204.5
STD, Sickness or Accident Insurance	16.8	6.2	19.9	13.5	4.8	6.7	4.3	5.5	1.9
LTD or Wage Continuation	1.7	2.2	0.4	7.0	2.5	4.7	2.9	14.8	1.4
Medical Insurance Premiums	213.1	505.3	211.8	212.5	126.7	148.9	178.2	279.0	194.9
Dental Insurance Premiums	25.5	35.3	29.1	1.9	7.0	22.5	3.1	21.1	3.3
Vision Care	0.4	0.6	0.3	0.2	0.0	2.6	0.0	0.0	0.1
Retiree Medical Insurance Premiums	107.7	4.5	135.9	0.0	0.0	9.8	0.0	39.7	0.5
Life Insurance and Death	37.6	10.2	46.7	2.1	4.6	6.5	4.1	13.1	1.2
Prescription Drug Coverage	1.4	11.9	0.0	0.4	10.6	5.8	0.0	11.3	0.9
Other	0.0	0.0	0.0	0.2	0.3	0.0	0.0	0.0	0.0
Administration Costs	29.0	7.6	35.9	1.2	5.0	1.8	0.9	15.9	0.3
Retirement and Savings	139.1	68.1	146.3	73.0	93.6	94.6	36.5	237.0	72.1
Defined Benefit Pension Plan	6.5	26.7	0.0	30.5	19.5	23.1	0.0	64.2	3.8
Cash Balance or Other Hybrid Plan	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
401K and similar	81.0	27.6	94.4	26.6	26.0	34.5	17.4	54.5	33.3
Profit-Sharing	4.0	9.3	0.6	9.6	9.0	6.5	15.2	23.4	30.8
Stock Bonus/ESOP	0.3	1.1	0.0	0.1	6.4	0.0	0.0	0.0	1.4
Other	20.4	0.8	17.9	4.3	29.4	27.9	3.0	81.8	1.4
Administration Costs	26.9	2.6	33.4	1.9	3.2	2.5	0.8	13.0	1.5
Miscellaneous Benefit Pay	35.0	6.9	41.5	2.0	16.5	14.2	13.0	25.9	0.9
Severance Pay	23.0	4.0	27.2	0.1	11.6	9.6	4.0	21.0	0.1
Child Care	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Employee Education Expenditures	8.1	1.6	9.7	1.8	1.9	3.3	8.4	3.9	0.8
Discounts	1.0	0.2	1.2	0.0	0.0	1.2	0.1	0.0	0.0
Other	2.8	1.1	3.4	0.1	3.1	0.0	0.5	0.9	0.0

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Table 13. Employee Benefits as Cents Per Hour by Non-Manufacturing Industry Group

Type of Benefit	Total, All Non-Manufacturing	Retail Trade	Health Care (including hospitals)	Wholesale Trade	Finance and Insurance	Construction	Transportation, Distribution and Warehousing	Social Assistance	Public Utilities	Educational Services	Support and Management Services	Information (e.g., data processing, information services, and publishing)	Professional, Scientific, and Technical Services (e.g., consulting, legal, accounting, and network services)	Other Non-Manufacturing Industries
Total Number of Companies Reporting	258	14	38	11	45	29	14	8	20	7	5	7	26	34
Total Benefits as Cents per Hour	769.7¢	458.0¢	510.7¢	709.4¢	917.4¢	749.6¢	1000.3¢	411.5¢	1264.9¢	1262.6¢	864.1¢	867.4¢	1082.3¢	707.2¢
Legally-Required	163.4	127.9	135.6	221.9	197.3	246.6	206.2	132.3	243.6	238.5	245.5	328.9	320.7	104.4
Federally-Required Payroll Taxes	133.8	93.6	111.6	158.0	182.0	184.2	138.0	98.5	208.8	217.2	194.9	218.8	293.3	85.1
Unemployment Compensation	6.4	14.1	5.3	11.7	8.1	17.8	6.5	5.7	4.5	9.2	27.1	37.2	16.1	3.0
Workers' Compensation Insurance	22.8	19.9	18.7	52.0	6.4	44.6	60.3	28.1	30.3	12.0	23.5	72.9	9.8	16.3
Other	0.4	0.3	0.0	0.1	0.9	0.0	1.4	0.0	0.0	0.0	0.0	0.0	1.5	0.0
Payments for Time Not Worked	209.7	75.7	152.1	134.4	267.6	199.8	228.9	132.2	325.8	364.5	177.2	273.9	267.6	199.9
Payments for Holidays	57.6	17.1	48.2	29.3	65.3	64.9	38.1	38.0	88.3	118.9	55.1	75.4	122.9	65.5
Paid Breaks, Etc.	17.1	1.9	19.1	52.1	31.6	7.6	12.2	20.4	44.9	3.5	1.4	5.5	1.5	2.2
Sick Leave Pay	31.5	9.7	17.8	17.0	16.2	0.8	63.3	22.8	25.2	34.0	0.7	15.7	26.6	49.7
Payments for Vacations	75.1	46.7	42.0	34.8	88.3	13.8	110.5	44.3	76.9	174.6	3.5	56.8	101.2	80.8
Paid Time Off	25.6	0.0	22.7	0.4	61.4	108.5	0.1	4.7	86.5	20.3	106.5	119.3	11.8	1.5
Family and Medical Leave Pay	0.5	0.1	1.1	0.4	0.5	3.5	0.0	0.0	0.0	0.0	0.3	0.7	2.7	0.0
Other	2.5	0.1	1.1	0.4	4.2	0.6	4.8	2.1	4.0	13.1	9.6	0.6	0.9	0.1
Medical and Medically-Related Payments	198.5	85.9	125.5	208.2	259.1	209.6	231.8	118.0	392.2	334.2	166.0	189.9	237.0	178.4
STD, Sickness or Accident Insurance	5.5	1.7	3.9	8.5	13.9	6.7	1.7	0.4	4.5	9.6	12.3	22.5	10.9	1.5
LTD or Wage Continuation	5.8	2.3	3.5	3.9	7.8	5.6	3.6	1.6	11.8	9.0	6.3	24.9	8.0	7.1
Medical Insurance Premiums	147.4	71.1	103.7	153.7	191.6	126.3	167.7	108.2	192.3	258.4	116.8	119.1	185.2	138.1
Dental Insurance Premiums	9.8	2.6	6.5	17.2	12.1	11.9	18.6	5.6	16.8	24.6	16.2	11.9	21.5	3.0
Vision Care	0.5	0.7	0.1	1.8	1.1	2.0	0.0	0.0	0.7	0.3	2.4	2.7	1.6	0.6
Retiree Medical Insurance Premiums	10.5	0.0	0.1	0.0	11.2	15.1	0.0	0.0	103.9	18.3	0.0	7.4	0.0	15.8
Life Insurance and Death	4.9	1.4	1.6	3.8	8.7	7.3	4.6	2.2	9.9	10.1	12.0	0.8	8.6	4.6
Prescription Drug Coverage	7.9	0.0	2.9	19.2	4.5	19.9	20.0	0.0	34.7	1.3	0.0	0.0	0.0	6.2
Other	0.6	0.4	0.0	0.0	0.2	5.7	0.0	0.0	9.8	0.1	0.0	0.0	0.0	0.6
Administration Costs	5.5	5.7	3.1	0.2	7.9	9.3	15.6	0.0	7.7	2.4	0.0	0.5	1.2	0.9
Retirement and Savings	181.2	140.4	92.4	132.0	154.5	87.5	328.0	21.7	247.2	293.5	263.3	58.1	206.3	215.2
Defined Benefit Pension Plan	69.8	0.0	30.0	0.0	57.1	2.5	31.9	0.2	125.8	160.6	38.1	23.3	1.6	155.2
Cash Balance or Other Hybrid Plan	2.8	0.0	7.2	0.0	0.0	1.9	0.0	0.0	16.8	3.7	0.0	0.0	0.0	0.0
401K and similar	47.1	8.5	46.4	11.6	52.9	64.2	76.8	15.9	82.7	127.4	175.2	18.6	164.2	8.8
Profit-Sharing	31.2	61.4	4.9	108.6	22.3	4.3	153.4	5.0	1.3	0.0	0.0	4.2	1.7	0.2
Stock Bonus/ESOP	0.6	0.0	0.6	2.0	0.9	4.8	0.0	0.0	1.0	0.0	0.0	0.0	5.9	0.0
Other	26.8	63.8	2.3	1.8	19.9	8.4	65.9	0.0	6.8	1.1	49.0	11.5	31.2	44.6
Administration Costs	2.9	6.8	1.0	8.1	1.3	1.3	0.1	0.6	12.9	0.6	1.1	0.6	1.7	6.5
Miscellaneous Benefit Pay	16.9	28.1	5.1	12.9	38.9	6.0	5.4	7.3	56.1	31.9	12.2	16.6	50.7	9.3
Severance Pay	6.7	13.3	0.3	0.0	14.6	1.6	2.0	1.6	47.6	1.8	10.5	11.7	42.3	3.1
Child Care	0.3	0.0	0.0	0.0	1.3	0.2	0.0	0.0	0.0	0.0	0.0	0.0	0.3	0.0
Employee Education Expenditures	6.1	1.0	4.4	6.1	9.6	3.0	3.1	5.7	7.3	16.8	1.1	4.2	7.7	6.1
Discounts	0.9	13.3	0.1	6.2	1.7	0.4	0.0	0.0	0.0	0.0	0.0	0.8	0.0	0.1
Other	3.0	0.5	0.3	0.6	11.7	0.8	0.2	0.0	1.2	13.3	0.6	0.0	0.5	0.0

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Table 14. Employee Benefits as Percent of Payroll by Manufacturing Industry Group

Type of Benefit	Total, All Manufacturing	Machinery	Computer, Electronic, and Electrical Equipment, Products and Components	Fabricated Metal Products	Pulp, Paper, Lumber, and Furniture	Food, Beverage, and Tobacco	Rubber, Leather, Plastic, and Allied Products	Chemicals (including pharmaceutical companies)	Other Manufacturing Industries
Total Number of Companies Reporting	108	14	19	24	13	7	10	7	14
Total Benefits as Percent of Payroll	38.6%	53.0%	38.7%	33.7%	37.1%	37.5%	35.8%	42.2%	33.6%
Legally-Required	8.0	11.4	7.5	10.9	11.4	10.9	9.3	8.0	9.5
Federally-Required Payroll Taxes	6.6	7.5	6.5	7.4	7.2	7.1	7.0	7.3	7.6
Unemployment Compensation	0.5	0.6	0.3	0.7	2.0	1.4	0.9	0.2	1.0
Workers' Compensation Insurance	0.9	2.4	0.7	2.9	1.9	2.4	1.4	0.5	0.9
Other	0.0	0.8	0.0	0.0	0.1	0.0	0.0	0.0	0.0
Payments for Time Not Worked	11.3	11.8	11.9	8.1	10.4	9.7	10.0	9.7	6.4
Payments for Holidays	3.4	3.9	3.6	2.0	2.6	2.6	2.7	2.2	3.0
Paid Breaks, Etc.	1.0	1.7	0.9	2.3	3.5	1.5	3.1	0.4	0.5
Sick Leave Pay	1.0	0.8	1.1	0.3	0.3	0.6	0.3	0.7	0.5
Payments for Vacations	4.9	3.8	5.1	3.4	3.6	4.3	3.5	5.7	2.5
Paid Time Off	0.8	1.3	1.0	0.0	0.3	0.5	0.2	0.6	0.0
Family and Medical Leave Pay	0.0	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other	0.1	0.2	0.1	0.0	0.1	0.1	0.2	0.1	0.0
Medical and Medically-Related Payments	13.7	26.5	13.9	11.2	9.1	10.8	13.5	15.1	13.0
STD, Sickness or Accident Insurance	0.5	0.3	0.6	0.6	0.3	0.3	0.3	0.3	0.1
LTD or Wage Continuation	0.1	0.1	0.0	0.3	0.1	0.2	0.2	0.6	0.1
Medical Insurance Premiums	7.3	22.9	6.2	10.0	7.4	7.7	12.4	10.7	12.6
Dental Insurance Premiums	0.8	1.6	0.8	0.1	0.3	1.2	0.2	0.7	0.1
Vision Care	0.0	0.0	0.0	0.0	0.0	0.1	0.0	0.0	0.0
Retiree Medical Insurance Premiums	3.1	0.2	3.9	0.0	0.0	0.5	0.0	1.3	0.0
Life Insurance and Death	1.1	0.5	1.3	0.1	0.2	0.3	0.3	0.5	0.1
Prescription Drug Coverage	0.1	0.5	0.0	0.0	0.5	0.3	0.0	0.4	0.0
Other	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Administration Costs	0.8	0.4	1.0	0.1	0.2	0.1	0.1	0.6	0.0
Retirement and Savings	4.5	3.1	4.2	3.4	5.1	5.3	2.3	8.6	4.6
Defined Benefit Pension Plan	0.3	1.0	0.0	1.2	1.0	1.3	0.0	2.5	0.3
Cash Balance or Other Hybrid Plan	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
401K and similar	2.5	1.3	2.7	1.2	1.5	1.8	1.0	2.1	2.1
Profit-Sharing	0.2	0.6	0.0	0.5	0.6	0.4	0.9	0.8	2.1
Stock Bonus/ESOP	0.0	0.1	0.0	0.0	0.5	0.0	0.0	0.0	0.1
Other	0.7	0.0	0.5	0.3	1.4	1.6	0.3	2.7	0.0
Administration Costs	0.8	0.1	1.0	0.1	0.2	0.1	0.1	0.5	0.1
Miscellaneous Benefit Pay	1.1	0.3	1.2	0.1	1.2	0.7	0.7	0.9	0.1
Severance Pay	0.7	0.2	0.8	0.0	0.9	0.5	0.2	0.7	0.0
Child Care	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Employee Education Expenditures	0.3	0.1	0.3	0.1	0.1	0.2	0.4	0.1	0.0
Discounts	0.0	0.0	0.0	0.0	0.0	0.1	0.0	0.0	0.0
Other	0.1	0.0	0.1	0.0	0.2	0.0	0.0	0.0	0.0

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Table 15. Employee Benefits as Percent of Payroll by Non-Manufacturing Industry Group

Type of Benefit	Total, All Non-Manufacturing	Retail Trade	Health Care (including hospitals)	Wholesale Trade	Finance and Insurance	Construction	Transportation, Distribution and Warehousing	Social Assistance	Public Utilities	Educational Services	Support and Management Services	Information (e.g., data processing, information services, and publishing)	Professional, Scientific, and Technical Services (e.g., consulting, legal, accounting, and network services)	Other Non-Manufacturing Industries
Total Number of Companies Reporting	258	14	38	11	45	29	14	8	20	7	5	7	26	34
Total Benefits as Percent of Payroll	39.2%	35.6%	33.9%	36.2%	35.8%	29.7%	48.3%	31.8%	44.6%	39.8%	31.3%	31.2%	29.1%	44.3%
Legally-Required	8.3	9.7	8.9	11.2	7.5	10.2	10.1	10.1	8.6	7.6	9.2	12.0	8.5	6.8
Federally-Required Payroll Taxes	6.7	7.1	7.2	7.7	6.9	7.3	6.8	7.6	7.3	7.0	7.0	7.4	7.7	5.5
Unemployment Compensation	0.3	1.1	0.4	0.6	0.3	0.8	0.3	0.4	0.2	0.2	1.1	1.6	0.5	0.2
Workers' Compensation Insurance	1.2	1.5	1.2	2.9	0.2	2.1	2.9	2.1	1.2	0.3	1.1	3.1	0.3	1.0
Other	0.0	0.0	0.0	0.0	0.0	0.0	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Payments for Time Not Worked	10.8	5.8	10.2	6.0	10.8	7.3	11.1	10.2	11.5	11.7	6.4	9.5	7.6	12.5
Payments for Holidays	3.1	1.4	3.4	1.0	2.4	2.3	1.9	3.0	3.1	4.0	2.0	2.6	3.1	4.2
Paid Breaks, Etc.	1.0	0.1	1.5	2.8	1.6	0.4	0.7	1.5	1.5	0.1	0.1	0.2	0.1	0.1
Sick Leave Pay	1.8	0.8	1.2	0.8	0.8	0.0	3.0	1.7	1.0	1.1	0.0	0.6	1.0	3.2
Payments for Vacations	3.7	3.6	2.8	1.3	3.2	0.8	5.4	3.3	3.0	5.2	0.2	2.0	3.0	4.9
Paid Time Off	1.1	0.0	1.2	0.0	2.5	3.6	0.0	0.4	2.7	0.9	3.8	4.1	0.5	0.1
Family and Medical Leave Pay	0.0	0.0	0.1	0.0	0.0	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.1	0.0
Other	0.1	0.0	0.1	0.0	0.2	0.0	0.2	0.2	0.2	0.3	0.3	0.0	0.0	0.0
Medical and Medically-Related Payments	9.9	6.5	7.8	11.0	10.1	8.3	11.3	9.2	13.7	10.2	5.8	7.6	6.7	11.2
STD, Sickness or Accident Insurance	0.2	0.1	0.2	0.5	0.5	0.2	0.1	0.0	0.1	0.2	0.4	1.0	0.2	0.1
LTD or Wage Continuation	0.3	0.2	0.2	0.2	0.3	0.2	0.2	0.1	0.4	0.3	0.2	1.0	0.2	0.5
Medical Insurance Premiums	7.5	5.3	6.6	7.9	7.5	5.5	8.2	8.4	6.8	8.0	4.1	4.7	5.3	8.8
Dental Insurance Premiums	0.5	0.2	0.4	1.0	0.5	0.4	0.9	0.5	0.6	0.7	0.6	0.4	0.6	0.1
Vision Care	0.0	0.1	0.0	0.1	0.0	0.1	0.0	0.0	0.0	0.0	0.1	0.1	0.1	0.0
Retiree Medical Insurance Premiums	0.5	0.0	0.0	0.0	0.4	0.5	0.0	0.0	3.5	0.5	0.0	0.4	0.0	1.1
Life Insurance and Death	0.2	0.1	0.1	0.2	0.3	0.3	0.2	0.2	0.4	0.3	0.4	0.0	0.3	0.3
Prescription Drug Coverage	0.4	0.0	0.1	1.1	0.2	0.7	1.0	0.0	1.3	0.1	0.0	0.0	0.0	0.3
Other	0.0	0.0	0.0	0.0	0.0	0.2	0.0	0.0	0.3	0.0	0.0	0.0	0.0	0.0
Administration Costs	0.3	0.5	0.2	0.0	0.4	0.3	0.8	0.0	0.3	0.1	0.0	0.0	0.1	0.0
Retirement and Savings	9.6	11.3	6.7	7.4	6.0	3.6	15.5	1.7	8.9	9.4	9.5	1.7	5.1	13.4
Defined Benefit Pension Plan	4.1	0.0	2.3	0.0	2.2	0.1	1.8	0.0	4.7	5.1	1.4	0.6	0.1	10.5
Cash Balance or Other Hybrid Plan	0.2	0.0	0.6	0.0	0.0	0.1	0.0	0.0	0.6	0.2	0.0	0.0	0.0	0.0
401K and similar	2.3	0.6	3.4	0.6	2.0	2.5	3.6	1.1	2.9	4.0	6.3	0.6	3.6	0.6
Profit-Sharing	1.5	5.0	0.2	6.2	1.1	0.2	7.1	0.5	0.0	0.0	0.0	0.2	0.1	0.0
Stock Bonus/ESOP	0.0	0.0	0.1	0.1	0.0	0.2	0.0	0.0	0.0	0.0	0.0	0.0	0.2	0.0
Other	1.2	5.2	0.2	0.1	0.6	0.4	3.1	0.0	0.2	0.1	1.8	0.2	1.1	1.9
Administration Costs	0.2	0.6	0.1	0.4	0.1	0.1	0.0	0.1	0.4	0.0	0.0	0.0	0.1	0.4
Miscellaneous Benefit Pay	0.7	2.3	0.3	0.7	1.4	0.2	0.3	0.5	1.9	1.0	0.3	0.4	1.1	0.5
Severance Pay	0.2	1.1	0.0	0.0	0.4	0.1	0.1	0.1	1.6	0.1	0.3	0.3	0.9	0.1
Child Care	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Employee Education Expenditures	0.3	0.1	0.2	0.3	0.4	0.1	0.2	0.4	0.3	0.6	0.0	0.1	0.2	0.4
Discounts	0.1	1.1	0.0	0.4	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.1	0.0	0.0
Other	0.1	0.0	0.0	0.0	0.4	0.0	0.0	0.0	0.0	0.3	0.0	0.0	0.0	0.0

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Table 16. Total Employee Benefits as Annual Dollars per Employee, by Size of Company and Industry Group

(n = number of companies reporting costs in survey by industry and size)

Industry Group	Total, All Company Sizes		Size of Company: Under 100 Employees		100–499 Employees		500–999 Employees		1,000–2,499 Employees		2,500 Employees and Over	
	$	n	$	n	$	n	$	n	$	n	$	n
Total, All Industries	18,254	366	13,064	171	16,207	118	19,991	29	18,910	24	18,308	24
Total, All Manufacturing	23,625	108	12,399	50	14,996	41	21,019	7	19,804	6	25,001	4
Machinery	24,940	14	12,252	9	23,280	4	*	1	—	—	—	—
Computer, Electronic, and Electrical Products and Components	25,680	19	15,563	8	11,547	7	*	2	—	—	*	2
Fabricated Metal Products	14,842	24	12,074	13	13,146	10	—	—	*	1	—	—
Pulp, Paper, Lumber, and Furniture	13,562	13	9,952	7	12,058	4	*	1	*	1		
Food, Beverage, and Tobacco	14,894	7	—	—	7,958	4	*	1	*	1	*	1
Rubber, Leather, Plastic, and Allied Products	11,702	10	10,676	5	10,426	4	*	1	—	—	—	—
Chemicals (including pharmaceutical companies)	23,769	7	*	1	*	2	*	1	24,504	3	—	—
Other Manufacturing Industries	11,274	14	14,640	7	17,164	6	—	—	—	—	*	1
Total, All Non-Manufacturing	15,961	258	13,440	121	16,832	77	19,659	22	18,591	18	15,405	20
Retail Trade	9,490	14	6,873	6	12,316	6	—	—	—	—	*	2
Health Care (including hospitals)	10,949	38	11,893	9	12,765	11	15,355	6	14,127	7	10,139	5
Wholesale Trade	14,763	11	6,743	8	*	2	—	—	—	—	*	1
Finance and Insurance	18,678	45	19,351	12	18,948	16	20,358	8	20,492	3	18,278	6
Construction	15,627	29	12,031	21	11,456	7	—	—	*	1	—	—
Transportation, Distribution and Warehousing	20,820	14	12,711	3	13,184	8	*	1	—	—	*	2
Social Assistance	8,248	8	8,248	8	—	—	—	—	—	—	—	—
Public Utilities	26,376	20	23,865	5	24,256	8	26,469	4	*	2	*	1
Educational Services	23,759	7	*	1	*	2	*	1	*	2	*	1
Support and Management Services	17,974	5	*	2	*	2	—	—	*	1	—	—
Information (e.g., data processing, information services, and publishing)	18,130	7	*	1	18,677	6	—	—	—	—	—	—
Professional, Scientific, and Technical Services (e.g., consulting, legal, accounting, and network services)	23,017	26	16,568	22	*	2	*	1	*	1	—	—
Other Non-Manufacturing Industries	14,712	34	11,741	23	12,741	7	*	1	*	1	*	2

*In categories where fewer than three firms report, data is not shown separately; however, totals reflect all data.

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Table 17. Total Employee Benefits as Percent of Payroll, by Size of Company and Industry Group

(n = number of companies reporting costs in survey by industry and size)

Industry Group	Total, All Company Sizes		Size of Company: Under 100 Employees		100–499 Employees		500–999 Employees		1,000–2,499 Employees		2,500 Employees and Over	
	%	n	%	n	%	n	%	n	%	n	%	n
Total, All Industries	39.0	366	32.6	171	36.8	118	39.9	29	36.9	24	39.5	24
Total, All Manufacturing	38.6	108	32.8	50	36.2	41	42.1	7	41.4	6	38.4	4
Machinery	53.0	14	28.7	9	47.3	4	*	1	—	—	—	—
Computer, Electronic, and Electrical Products and Components	38.7	19	32.4	8	30.9	7	*	2	—	—	*	2
Fabricated Metal Products	33.7	24	33.1	13	34.4	10	—	—	*	1	—	—
Pulp, Paper, Lumber, and Furniture	37.1	13	31.3	7	36.1	4	*	1	*	1	—	—
Food, Beverage, and Tobacco	37.5	7	—	—	27.4	4	*	1	*	1	*	1
Rubber, Leather, Plastic, and Allied Products	35.8	10	36.9	5	39.1	4	*	1	—	—	—	—
Chemicals (including pharmaceutical companies)	42.2	7	*	1	*	2	*	1	42.3	3	—	—
Other Manufacturing Industries	33.6	14	36.0	7	39.4	6	—	—	—	—	*	1
Total, All Non-Manufacturing	39.2	258	32.5	121	37.1	77	39.2	22	35.3	18	39.9	20
Retail Trade	35.6	14	22.3	6	29.4	6	—	—	—	—	*	2
Health Care (including hospitals)	33.9	38	32.4	9	39.1	11	34.6	6	32.5	7	33.9	5
Wholesale Trade	36.2	11	26.3	8	*	2	—	—	—	—	*	1
Finance and Insurance	35.8	45	35.2	12	42.8	16	40.3	8	39.6	3	34.4	6
Construction	29.7	29	31.2	21	26.3	7	—	—	*	1	—	—
Transportation, Distribution and Warehousing	48.3	14	34.9	3	43.4	8	*	1	—	—	*	2
Social Assistance	31.8	8	31.8	8	—	—	—	—	—	—	—	—
Public Utilities	44.6	20	48.8	5	45.8	8	44.3	4	*	2	*	1
Educational Services	39.8	7	*	1	*	2	*	1	*	2	*	1
Support and Management Services	31.3	5	*	2	*	2	—	—	*	1	—	—
Information (e.g., data processing, information services, and publishing)	31.2	7	*	1	32.1	6	—	—	—	—	—	—
Professional, Scientific, and Technical Services (e.g., consulting, legal, accounting, and network services)	29.1	26	30.3	22	*	2	*	1	—	—	—	—
Other Non-Manufacturing Industries	44.3	34	33.9	23	31.6	7	*	1	*	1	*	2

*In categories where fewer than three firms report, data is not shown separately; however, totals reflect all data.

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Table 18. Employee Payroll Deductions as a Percent of Payroll by Industry Group

Industry Group	Total %	Federally-required payroll taxes	Medical and Medically-Related Benefits Payments Including Life Insurance Premiums	Retirement and Savings Plan Payments	Miscellaneous	Total Annual Dollars Per Employee ($)
Total, All Companies (366)	16.1%	7.1%	2.5%	6.5%	0.0%	$7,485
Total, All Manufacturing (108)	16.9	6.7	2.5	7.8	0.0	10,484
Machinery (14)	16.9	8.3	4.5	4.1	0.0	8,002
Computer, Electronic, and Electrical Products and Components (19)	17.6	6.5	2.4	8.8	0.0	11,705
Fabricated Metal Products (24)	10.5	7.4	1.7	1.4	0.0	4,563
Pulp, Paper, Lumber, and Furniture (13)	14.9	7.2	3.5	4.2	0.0	5,364
Food, Beverage, and Tobacco (7)	14.2	7.1	2.7	4.3	0.0	5,841
Rubber, Leather, Plastic, and Allied Products (10)	13.0	7.0	2.3	3.7	0.0	4,529
Chemicals (including pharmaceutical companies) (7)	16.2	7.3	3.0	6.0	0.0	9,250
Other Manufacturing Industries (14)	15.1	7.7	2.2	5.3	0.0	5,081
Total, All Non-Manufacturing (258)	15.8	7.3	2.5	6.0	0.0	6,205
Retail Trade (14)	12.6	7.9	1.4	3.3	0.0	3,500
Health Care (including hospitals) (38)	20.4	8.7	2.3	9.3	0.0	6,105
Wholesale Trade (11)	14.9	7.7	2.5	4.7	0.0	6,140
Finance and Insurance (45)	15.2	7.4	2.7	5.2	0.0	7,861
Construction (29)	15.9	7.3	2.9	5.7	0.0	8,771
Transportation, Distribution and Warehousing (14)	12.9	6.8	1.4	4.7	0.0	5,565
Social Assistance (8)	10.9	7.6	1.3	2.0	0.0	2,876
Public Utilities (20)	14.4	7.4	1.9	4.9	0.2	8,593
Educational Services (7)	14.3	7.0	3.0	4.2	0.0	8,673
Support and Management Services (5)	14.6	7.0	1.5	6.0	0.0	8,662
Information (e.g., data processing, information services, and publishing) (7)	11.7	7.7	1.8	2.2	0.0	7,266
Professional, Scientific, and Technical Services (e.g., consulting, legal, accounting, and network services) (26)	14.6	8.7	0.9	5.0	0.0	11,207
Other Non-Manufacturing Industries (34)	13.3	5.5	3.4	4.4	0.0	4,484

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PAID TIME OFF BENEFITS

Payments for time not worked (including paid breaks) account for more than one-quarter of all benefit costs, averaging 10.9% of payroll. This section provides a summary of paid time off benefit practices at participating companies.

Paid Holidays

Nearly every participating company (99%) provides paid holiday benefits. Participating firms recognized an average of 8.8 paid holidays (e.g., 4th of July) in 2001. Manufacturing companies averaged 9.0 recognized holidays while non-manufacturing companies averaged 8.7 holidays. On average, smaller firms recognized fewer paid holidays than larger firms.

Average Number of Paid Holidays Recognized in 2001 by Participating Firms

	By Industry		By Number of Employees				
All Companies	Non-Manufacturing	Manufacturing	1–99	100–499	500–999	1,000–2,499	2,500 plus
8.8 days	8.7 days	9.0 days	8.4 days	8.9 days	9.3 days	9.7 days	9.5 days

Paid Time Off

Type of Paid Time Off Plan Among Companies Offering Vacation Benefits

	By Industry			By Number of Employees				
	All Companies	Non-Manufacturing	Manufacturing	1–99	100–499	500–999	1,000–2,499	2,500 plus
Traditional vacation plan	77%	72%	88%	77%	80%	69%	71%	75%
Paid time off plan	24%	29%	13%	24%	20%	31%	33%	25%

"Paid Time Off" Plans

Nearly one in four participating companies (24%) provide paid time off benefits to employees as a hybrid "Paid Time Off" account. Typically, such plans provide employees a set amount of time that employees may utilize for vacation, personal, and/or sick leave. Among participants, Paid Time Off plans are more common among non-manufacturing companies, whereas traditional vacation plans are more common among manufacturing companies. Non-manufacturing and larger companies generally provide the most paid days off. On average, an employee with one year of service is provided 14.1 days of paid time off as compared to 21.5 paid days off for an employee with 10 years of service.

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Average Number of Paid Days Off Provided Among Participating Firms by Tenure

	By Industry			By Number of Employees				
	All Companies	Non-Manufacturing	Manufacturing	1–99	100–499	500–999	1,000–2,499	2,500 plus
1 year of service	14.1	14.6	11.3	11.3	15.1	19.7	15.4	17.7
5 years	18.6	18.9	16.8	16.2	19.5	25.6	18.0	21.5
10 years	21.5	21.8	20.1	19.2	22.5	28.2	21.3	24.0
15 years	23.3	23.6	21.6	20.2	24.0	31.9	23.5	26.3
20 years	24.3	24.7	22.4	21.0	24.8	33.6	25.9	26.8

Traditional Vacation & Sick Leave Plans

Three out of four (77%) of participating companies provide vacation benefits as a separate classification. On average, an employee with one year of service is provided 8.3 days of paid vacation as compared to 16.2 paid vacation days for an employee with 10 years of service. Among participants, non-manufacturing and larger companies generally provided a higher number of vacation days.

Average Number of Vacation Days Provided Among Participating Firms by Tenure

	By Industry			By Number of Employees				
	All Companies	Non-Manufacturing	Manufacturing	1–99	100–499	500–999	1,000–2,499	2,500 plus
1 year of service	8.3	9.1	6.7	7.7	8.2	9.3	9.8	10.1
5 years	12.7	13.4	11.4	12.0	12.8	13.5	14.9	14.6
10 years	16.2	16.7	15.1	15.4	16.4	16.4	19.0	17.8
15 years	18.1	18.6	17.0	16.6	18.8	19.0	21.2	20.6
20 years	19.7	20.0	19.1	18.0	20.6	21.0	22.6	23.2

Among participating companies that provide traditional vacation benefits, three out of four (77%) also provide paid sick leave. On average, employees accrue 5 sick days per year at these companies.

Average Number of Annual Sick Days Provided Among Participating Firms

	By Industry		By Number of Employees				
All Companies	Non-Manufacturing	Manufacturing	1–99	100–499	500–999	1,000–2,499	2,500 plus
5.0	5.2	4.4	4.6	5.1	7.1	4.3	5.7

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Discussion of Health Care Benefit Practices

Nearly every participating company (99%) provides health care benefits to employees. Most companies (80%) require a waiting period for health insurance coverage, with the most common waiting period for full-time employees being one to three months (42%). In general, participating companies with fewer than 500 employees require longer waiting periods than larger companies, with one in eight (12%) requiring a waiting period of more than three months. However, the specific type and coverage of health plan benefits vary from company to company. This section provides an overview of the health plan benefits as well as a discussion of health plan costs.

Type of Health Plan

Although the specific details of health plans vary considerably, health plans can be grouped into four basic plan types: Preferred Provider Organization (PPO; which allow those covered to select among the most cost-efficient providers), Health Maintenance Organization (HMO), Point of Service (POS), and Indemnity. The most common type of health plan among participating companies are PPO health plans, offered by two out of three (67%) participating companies. One in four (39%) participating companies offer an HMO plan while POS (18%) and Indemnity (14%) plans are less common. One-third (34%) of participating companies offer more than one type of health plan.

Type of Health Plan by Industry

	All Companies	Non-Manufacturing	Manufacturing
PPO plan	67%	69%	62%
HMO health insurance plan	39%	38%	41%
Point of service plan	18%	17%	19%
Indemnity health insurance plan	14%	14%	16%

Type of Health Plan by Number of Employees

	1–99	100–499	500–999	1,000–2,499	2,500 plus
PPO plan	60%	69%	80%	79%	83%
HMO health insurance plan	33%	40%	33%	50%	75%
Point of service plan	13%	20%	13%	25%	38%
Indemnity health insurance plan	7%	11%	30%	25%	54%

Key Aspects of Coverage

In addition to major medical insurance, nine out of ten (90%) participating companies offer prescription drug coverage, which can serve as an effective cost control method in helping to prevent future medical complications. Of those offering prescription drug coverage, one in six (16%) provide coverage to retirees under the age of 65 and one in eight (12%) offer prescription drug benefits to retirees over the age of 65. Four out of five (80%) participating companies provide dental insurance and nearly half provide coverage for chiropractic care (49%) and/or vision care (48%). Over four out of ten provide medical spending reimbursement accounts (43%) and/or alcohol and drug abuse treatment (41%). Less common are medical health coverage on a parity basis to physical health benefits (29%), retiree health insurance (23%); coverage for retirees under the age of 65 years old (21%); long term care insurance (12%); coverage for unmarried domestic partners (6%); alternative forms of medical care such as homeopathy (5%); and/or medical savings accounts (4%).

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In general, larger companies are more likely than smaller companies to offer health plans that cover a broader range of benefits, such as dental insurance, coverage for retirees under 65 and for unmarried domestic partners. In terms of industry, a noticeably larger percentage of participating manufacturing firms offer chiropractic care coverage and alcohol and drug abuse treatment. On the contrary, a larger percentage of non-manufacturing companies provide medical spending or reimbursement accounts and retiree health insurance (as well as coverage for early retirees).

Key Aspects of Health Plan Coverage by Industry

	All Companies	Non-Manufacturing	Manufacturing
Prescription drug coverage	90%	89%	93%
Life Insurance	88%	88%	90%
Dental Insurance	80%	81%	77%
Chiropractic Care	49%	46%	58%
Vision Care	48%	49%	45%
Medical spending or reimbursement accounts	43%	47%	31%
Alcohol and drug abuse treatment	41%	38%	48%
Mental health coverage on a parity basis to physical health benefits	29%	28%	31%
Retiree Health Insurance	23%	26%	17%
Coverage for retirees under 65	21%	24%	16%
Long term care insurance	12%	13%	10%
Coverage for unmarried domestic partners	6%	7%	3%
Alternative forms of medical care (e.g., homeopathy, herbal therapies)	5%	5%	6%
Medical savings account	4%	5%	3%

Key Aspects of Health Plan Coverage by Number of Employees

	1–99	100–499	500–999	1,000–2,499	2,500 plus
Prescription drug coverage	86%	92%	97%	100%	96%
Life Insurance	78%	98%	93%	100%	100%
Dental Insurance	63%	92%	97%	100%	100%
Vision Care	38%	50%	60%	67%	79%
Chiropractic Care	30%	61%	63%	75%	92%
Medical spending or reimbursement accounts	22%	52%	73%	67%	83%
Alcohol and drug abuse treatment	21%	50%	60%	75%	92%
Mental health coverage on a parity basis to physical health benefits	16%	29%	43%	50%	83%
Long term care insurance	7%	6%	30%	38%	29%
Retiree Health Insurance	5%	28%	57%	54%	63%
Alternative forms of medical care (e.g., homeopathy, herbal therapies)	3%	4%	13%	4%	13%
Coverage for retirees under 65	3%	22%	57%	58%	67%
Medical savings account	2%	8%	0%	4%	8%
Coverage for unmarried domestic partners	1%	5%	20%	13%	17%

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Cost Control Methods

As the cost of providing health care benefits has risen, many companies and/or health plan providers have taken measures to better manage the costs associated with health care coverage. Among participating companies, mail-order pharmacy services are the most common cost-control method, used by almost six out of ten (57%) participating companies. With the volume of prescriptions being ordered through mail-order pharmacy services, prescriptions are often offered at a reduced cost. Half of participating companies (51%) require pre-admission certification, while nearly four out of ten (38%) self-insure or fully insure at least a part of their employee health care benefits. Less common are pharmacy benefit managers (17%), behavioral health service manager programs (14%), and group purchasing arrangements (8%). In general, manufacturing companies are more likely to use mail-order pharmacy than non-manufacturing companies. Larger companies are more likely than smaller companies to self-insure and to use a pharmacy benefit manager. Being self-insured, larger companies are essentially acting as their own insurance company in making direct payments, but are willing to take this financial risk for cost control purposes.

Health Care Cost Control Methods by Industry

	All Companies	Non-Manufacturing	Manufacturing
Mail-order pharmacy	57%	54%	64%
Pre-admission certification	51%	51%	51%
Self-insure or fully insure any of your health benefits	38%	36%	41%
Pharmacy benefit manager	17%	18%	15%
Behavioral health service manager	14%	15%	10%
Participate in a group purchasing arrangement for either medical services or medical insurance with other firms in your community	8%	8%	6%

Health Care Cost Control Methods by Number of Employees

	1–99	100–499	500–999	1,000–2,499	2,500 plus
Mail-order pharmacy	40%	65%	73%	83%	96%
Pre-admission certification	38%	54%	60%	83%	92%
Self-insure or fully insure any of your health benefits	18%	39%	67%	79%	100%
Participate in a group purchasing arrangement for either medical services or medical insurance with other firms in your community	9%	6%	0%	21%	4%
Behavioral health service manager	5%	16%	17%	29%	50%
Pharmacy benefit manager	4%	11%	23%	63%	83%

Health Insurance Premium Cost Sharing

Health insurance premiums are a considerable cost. Nevertheless, one in five participating companies (20%) fully cover the cost of health insurance premiums as compared to only one in one hundred (1%) in which the premium is fully paid by the covered employee. The premium expense is split between employer and covered employee for the majority of participating companies. For almost half (45%) of participating companies, the cost of health insurance is shared proportionately, with the employer paying a set percentage of the premium cost. Approximately one in ten participating employers contribute a set dollar amount toward the premium cost (11%), in addition to one in eight (13%) of which the employee contributes a set dollar amount toward the cost of coverage. In general, larger companies are more likely to share premium costs through proportional payments where smaller companies are more likely to fully cover premium costs.

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Method of Health Insurance Premium Cost Sharing by Industry

	All Companies	Non-Manufacturing	Manufacturing
Proportional Shared Costs	45%	45%	46%
Fully Paid by the Employer	20%	19%	22%
Defined Dollar Contribution by the Employee	13%	11%	16%
Defined Dollar Contribution by the Employer	11%	13%	7%
Fully Paid by the Employee	1%	1%	0%
Other	8%	8%	6%

Method of Health Insurance Premium Cost Sharing by Number of Employees

	1–99	100–499	500–999	1,000–2,499	2,500 plus
Proportional Shared Costs	32%	50%	60%	79%	58%
Fully Paid by the Employer	30%	16%	10%	0%	0%
Defined Dollar Contribution by the Employee	13%	12%	13%	8%	21%
Defined Dollar Contribution by the Employer	11%	14%	7%	4%	8%
Fully Paid by the Employee	1%	0%	0%	0%	0%
Other	10%	4%	7%	8%	13%

Among participating companies, the average employer share of health insurance cost for employees is 84.8% of the premium cost; the average employer contribution for a spouse is 56.6% of the premium cost. In general, larger companies provide a greater share of premium payments for dependents (spouse, child and family) than smaller companies.

Employer Share of Health Insurance Premium by Industry

	All Companies	Non-Manufacturing	Manufacturing
Employee	84.8%	84.9%	84.6%
Spouse	56.6%	53.5%	63.4%
Child	56.6%	54.2%	62.2%
Family	59.5%	56.8%	65.4%

Employer Share of Health Insurance Premium by Number of Employees

	Number of employees				
	1–99	100–499	500–999	1,000–2,499	2,500 plus
Employee	86.3%	84.3%	79.4%	84.6%	83.5%
Spouse	46.3%	61.6%	68.5%	69.2%	77.1%
Child	45.3%	61.8%	75.6%	72.1%	78.3%
Family	49.0%	64.2%	74.1%	72.1%	75.5%

Discussion of Medical Benefit Costs

Medically-related benefits accounted for more than one-quarter of all benefit costs, an average of 11.0% of total gross payroll or $5,415 per employee. Employee payroll deductions for medical benefits averaged an additional 2.5% of payroll, bringing the average total cost of medical benefits to 13.5% of payroll. Hospital, Surgical, Medical, and Major Medical Insurance Premiums accounted for the majority of medical benefits costs, accounting for 7.4% of payroll on average.

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Other medical expenses include: Short-term disability payments (0.3%), Long-term disability payments (0.2%), Dental insurance premiums (0.6%), Retiree medical insurance premiums (1.3%), Prescription drugs (0.3%), and Administrative costs (0.5%).

Among participating companies, manufacturers spent a higher percentage of payroll on medical benefits (13.7%) than non-manufacturers (9.9%). Employee payroll deductions averaged the same (2.5%) at non-manufacturing and manufacturing firms. In general, companies with 500 or more employees averaged a greater portion of payroll on medical benefits than did smaller companies.

In addition, the average cost for medical benefits among those companies offering such benefits and able to provide a specific cost for that benefit are provided below. These figures may be used to benchmark your actual expenditures on each type of medical benefit.

Medical Benefit Costs Among Those Companies Reporting Payments

	Average employer payment			Average employee payment		
	Number of companies reporting	Dollars ($) per employee	Percent (%) of payroll	Dollars ($)	Percent (%) of payroll	Total Medical Benefit Cost Per Employee ($)
Total Medical, among those reporting payments	360	$5,415	11.0%	$1,127	2.5%	$6,542
Hospital, surgical, medical, and major medical insurance	360	$3,401	7.4%	$716	1.7%	$4,117
HMO Plan only	45	2,555	6.5%	650	1.6%	3,205
PPO plan only	145	3,157	7.8%	787	2.1%	3,944
Point of service plan	20	6,137	13.7%	1,102	2.4%	7,239
Indemnity plan only	11	4,689	10.1%	907	1.4%	5,596
Dental Insurance	203	330	0.6%	83	0.2%	413
Vision Care	69	20	0.04%	28	0.06%	48
Retiree Health Insurance	52	1,708	2.7%	278	0.6%	1,986
Prescription Drug Coverage	36	622	1.3%	87	0.1%	709
Health Plan Administration	64	417	0.7%	N/A	N/A	417
Short-Term Disability	192	281	0.4%	4	0.01%	285
Long-Term Disability	236	102	0.2%	62	0.1%	164

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Table 19. Medical and Medically-Related Benefit Payments as Annual Dollars per Employee by Industry Group

Industry Group (# of Responding Companies)	Total Employers' Share	Short-Term Disability, Sickness or Accident Insurance (Company Plan or Insured Plan)	Long-Term Disability or Wage Continuation (Insured, Self-Administered, or Trust)	Medical Insurance Premiums	Dental Insurance Premiums	Vision Care	Retiree Medical Insurance Premiums	Life Insurance	Prescription Drug Coverage	Other	Administration Costs	Total Employee Payroll Deductions for Medical and Medically-Related Benefits	Total Employers' Share Plus Employees' Payroll Deductions
Total, All Companies (366)	$5,415	$177	$95	$3,400	$291	$10	$773	$288	$124	$9	$248	$1,105	$6,520
Total, All Manufacturing (108)	8,473	326	36	4,209	499	8	2,076	727	30	0	560	1,487	9,960
Machinery (14)	12,213	129	47	10,572	739	12	94	213	248	0	158	2,063	14,276
Computer, Electronic, and Electrical Products and Components (19)	9,272	384	9	4,104	563	7	2,614	900	1	0	690	1,583	10,855
Fabricated Metal Products (24)	5,034	287	150	4,472	38	3	0	45	7	4	26	699	5,733
Pulp, Paper, Lumber, and Furniture (13)	3,609	106	55	2,815	163	0	0	103	247	6	114	1,047	4,656
Food, Beverage, and Tobacco (7)	4,283	138	98	3,051	460	52	204	133	115	0	35	1,161	5,444
Rubber, Leather, Plastic, and Allied Products (10)	4,249	95	63	3,918	65	0	0	90	0	0	18	839	5,088
Chemicals (including pharmaceutical companies) (7)	8,326	114	308	5,803	438	0	825	272	235	0	331	1,667	9,993
Other Manufacturing Industries (14)	4,257	40	28	4,057	69	2	11	24	19	0	6	718	4,975
Total, All Non-Manufacturing (258)	4,110	114	119	3,055	201	11	216	101	164	13	115	942	5,052
Retail Trade (14)	1,790	35	47	1,486	53	14	0	28	0	9	118	389	2,179
Health Care (including hospitals) (38)	2,686	87	74	2,223	137	2	4	34	61	0	65	758	3,444
Wholesale Trade (11)	4,334	177	81	3,200	358	37	0	78	400	0	4	943	5,277
Finance and Insurance (45)	5,274	283	158	3,900	248	23	227	176	93	4	162	1,219	6,493
Construction (29)	4,373	139	116	2,636	247	41	315	151	415	119	195	1,589	5,962
Transportation, Distribution and Warehousing (14)	4,825	35	75	3,492	386	1	0	96	415	0	324	589	5,414
Social Assistance (8)	2,314	9	32	2,125	105	0	0	43	0	0	0	338	2,652
Public Utilities (20)	8,175	93	246	4,015	351	14	2,162	208	722	203	161	1,114	9,289
Educational Services (7)	6,230	164	167	4,860	443	6	317	194	27	2	50	1,785	8,015
Support and Management Services (5)	3,452	256	130	2,430	337	49	0	250	0	0	0	875	4,327
Information (e.g., data processing, information services, and publishing) (7)	3,962	467	519	2,490	248	57	153	17	0	0	11	906	4,868
Professional, Scientific, and Technical Services (e.g., consulting, legal, accounting, and network services) (26)	5,049	228	171	3,944	462	35	0	182	0	0	25	682	5,731
Other Non-Manufacturing Industries (34)	3,711	32	147	2,873	62	13	329	96	129	12	18	1,054	4,765

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Table 20. Medical and Medically-Related Benefit Payments as Percent of Payroll by Industry Group

Industry Group (# of Responding Companies)	Total Employers' Share	Short-Term Disability, Sickness or Accident Insurance (Company Plan or Insured Plan)	Long-Term Disability or Wage Continuation (Insured, Self-Administered, or Trust)	Hospital, Surgical, Medical, and Major, Medical Insurance Premiums	Dental Insurance Premiums	Vision Care	Retiree Medical Insurance Premiums	Life Insurance	Prescription Drug Coverage	Other	Administration Costs	Total Employee Payroll Deductions for Medical and Medically-Related Benefits	Total Employers' Share Plus Employees' Payroll Deductions
Total, All Companies (366)	11.0%	0.3%	0.2%	7.4%	0.6%	0.0%	1.3%	0.5%	0.3%	0.0%	0.5%	2.5%	13.5%
Total, All Manufacturing (108)	13.7	0.5	0.1	7.3	0.8	0.0	3.1	1.1	0.1	0.0	0.8	2.5	16.2
Machinery (14)	26.5	0.3	0.1	22.9	1.6	0.0	0.2	0.5	0.5	0.0	0.4	4.5	31.0
Computer, Electronic, and Electrical Products and Components (19)	13.9	0.6	0.0	6.2	0.8	0.0	3.9	1.3	0.0	0.0	1.0	2.4	16.30
Fabricated Metal Products (24)	11.2	0.6	0.3	10.0	0.1	0.0	0.0	0.1	0.0	0.0	0.1	1.7	12.9
Pulp, Paper, Lumber, and Furniture (13)	9.1	0.3	0.1	7.4	0.3	0.0	0.0	0.2	0.5	0.0	0.2	3.5	12.6
Food, Beverage, and Tobacco (7)	10.8	0.3	0.2	7.7	1.2	0.1	0.5	0.3	0.3	0.0	0.1	2.7	13.5
Rubber, Leather, Plastic, and Allied Products (10)	13.5	0.3	0.2	12.4	0.2	0.0	0.0	0.3	0.0	0.0	0.1	2.3	15.8
Chemicals (including pharmaceutical companies) (7)	15.1	0.3	0.6	10.7	0.7	0.0	1.3	0.5	0.4	0.0	0.6	3.0	18.1
Other Manufacturing Industries (14)	13.0	0.1	0.1	12.6	0.1	0.0	0.0	0.1	0.0	0.0	0.0	2.2	15.2
Total, All Non-Manufacturing (258)	9.9	0.2	0.3	7.5	0.5	0.0	0.5	0.2	0.4	0.0	0.3	2.5	12.4
Retail Trade (14)	6.5	0.1	0.2	5.3	0.2	0.1	0.0	0.1	0.0	0.0	0.5	1.4	7.9
Health Care (including hospitals) (38)	7.8	0.2	0.2	6.6	0.4	0.0	0.0	0.1	0.1	0.0	0.2	2.3	10.1
Wholesale Trade (11)	11.0	0.5	0.2	7.9	1.0	0.1	0.0	0.2	1.1	0.0	0.0	2.5	13.5
Finance and Insurance (45)	10.1	0.5	0.3	7.5	0.5	0.0	0.4	0.3	0.2	0.0	0.4	2.7	12.8
Construction (29)	8.3	0.2	0.2	5.5	0.4	0.1	0.5	0.3	0.7	0.2	0.3	2.9	11.2
Transportation, Distribution and Warehousing (14)	11.3	0.1	0.2	8.2	0.9	0.0	0.0	0.2	1.0	0.0	0.8	1.4	12.7
Social Assistance (8)	9.2	0.0	0.1	8.4	0.5	0.0	0.0	0.2	0.0	0.0	0.0	1.3	10.5
Public Utilities (20)	13.7	0.1	0.4	6.8	0.6	0.0	3.5	0.4	1.3	0.3	0.3	1.9	15.6
Educational Services (7)	10.2	0.2	0.3	8.0	0.7	0.0	0.5	0.3	0.1	0.0	0.1	3.0	13.2
Support and Management Services (5)	5.8	0.4	0.2	4.1	0.6	0.1	0.0	0.4	0.0	0.0	0.0	1.5	7.3
Information (e.g., data processing, information services, and publishing) (7)	7.6	1.0	1.0	4.7	0.4	0.1	0.4	0.0	0.0	0.0	0.0	1.8	9.4
Professional, Scientific, and Technical Services (e.g., consulting, legal, accounting, and network services) (26)	6.7	0.2	0.2	5.3	0.6	0.1	0.0	0.3	0.0	0.0	0.1	0.9	7.6
Other Non-Manufacturing Industries (34)	11.2	0.1	0.5	8.8	0.1	0.0	1.1	0.3	0.3	0.0	0.0	3.4	14.6

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RETIREMENT AND SAVINGS PLAN BENEFITS

The majority of participating companies (95%) offer retirement plan benefits to their employees. 401(k) type plans are the most common type of plan, offered by 82% of participating companies. With this type of defined contribution plan, a specified contribution is made to an employee's account, in contrast to a traditional defined benefit pension plan, where a specified benefit is given at retirement. Among participating firms, more manufacturing companies offered profit-sharing plans (39%), whereas a larger percentage of non-manufacturing participants provided defined benefit plans (27%). In general, larger companies are more likely to provide retirement and savings plan benefits than smaller companies, particularly employee stock ownership plans.

Percent of Companies Offering Retirement/Savings Plans

	All Companies	Non-Manufacturing	Manufacturing
Offer a retirement/ savings plan	95%	94%	96%
401K Type Plan	82%	83%	81%
Profit-Sharing Plan	26%	20%	39%
Defined Benefit Pension Plan	24%	27%	16%
Employee Stock Ownership plan (ESOP) or stock bonus plan	5%	5%	6%
Cash Balance or other Hybrid Plans	3%	3%	2%
Other (e.g., Money Purchase Plan)	24%	25%	21%

Retirement and Savings Plan Benefits By Company Size

	Number of Employees				
	1–99	100–499	500–999	1,000–2,499	2,500 plus
Offer a retirement/ savings plan	90%	99%	97%	100%	100%
401K Type Plan	75%	89%	80%	92%	96%
Profit-Sharing Plan	26%	26%	23%	25%	25%
Defined Benefit Pension Plan	10%	24%	47%	63%	54%
Employee Stock Ownership plan (ESOP) or stock bonus plan	2%	8%	10%	21%	100%
Cash Balance or other Hybrid Plans	1%	3%	3%	4%	21%
Other (e.g., Money Purchase Plan)	21%	22%	37%	29%	33%

How Retirement and Savings Plans Employer Contributions are Spent

	All Companies	Non-Manufacturing	Manufacturing
401K Type Plan	$1,156	$1,581	$974
Defined Benefit Pension Plan	$1,049	$134	$1,439
Other (e.g., Money Purchase Plan)	$510	$404	$555
Profit-Sharing	$481	$85	$650
Cash Balance or other Hybrid Plans	$41	$0	$58
Employee Stock Ownership plan (ESOP) or stock bonus plan	$10	$6	$11

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RETIREMENT AND SAVINGS PLAN BENEFITS

The average employer cost of providing retirement and savings plan benefits among participating companies was $3,444 per employee, or 8.0% of payroll. Of these costs:

- ✓ 401(k) type plans accounted for the highest average cost, an average of $1,156 per employee among all survey respondents. Of companies offering 401(k) plans, an average of 68% of employees participate in the plan. Nearly seven out of ten (69%) companies allow employees to borrow against their 401(k) plan balance and 69% outsource the management of their 401(k) plan. For benchmarking purposes, the average contribution in 2001 by employers making 401(k) contributions was $1,209 per employee, or 2.5% of payroll.
- ✓ Defined Benefit Pension Plans accounted for an average of $1,049 per employee among all survey respondents. For benchmarking purposes, the average contribution by employers making defined benefit plan payments was $1,515 per employee, or 4.2% of payroll.
- ✓ Profit-sharing programs averaged $481 per employee among all survey respondents. For benchmarking purposes, the average contribution by employers making profit-sharing payments was $2,267 per employee, or 5.4% of payroll.
- ✓ Cash balance and other hybrid retirement savings plans averaged $41 per employee among all survey respondents. For benchmarking purposes, the average expense among companies reporting cash balance and other hybrid retirement savings plans contributions was $244 per employee, or 1% of payroll.
- ✓ Stock bonuses and Employee Stock Ownership Plans (ESOP) averaged $10 per employee among all survey respondents. For benchmarking purposes, the average expense among companies paying stock bonuses/ESOP was $330 per employee, or 1% of payroll.

How Retirement and Savings Plans Employer Contributions are Spent (by Company Size)

	Number of Employees				
	1–99	100–499	500–999	1,000–2,499	2,500 plus
Defined Benefit Pension Plan	$419	$918	$1,152	$1,078	$1,060
401K and similar	$727	$824	$1,377	$1,517	$1,132
Profit-Sharing	$425	$269	$433	$270	$522
Other (e.g., Money Purchase Plan)	$251	$484	$687	$364	$523
Cash Balance or Other Hybrid Plan	$24	$27	$0	$41	$44
Stock Bonus/ESOP	$22	$61	$53	$44	$0

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Table 21. Retirement and Savings Plan Payments as Annual Dollars Per Employee by Industry Group

Industry Group (# of Companies Reporting)	Total Employers' Share	Defined Benefit Pension Plan	Cash Balance or Other Hybrid Plan	401K or Similar Payments	Profit Sharing Payments	Stock Bonus and ESOP	Other	Costs of Plan Administration	Total Employee Payroll Deductions to Plans	Total Employer's Share Plus Employee's Payroll Deductions
Total, All Companies (366)	$3,444	$1,049	$41	$1,156	$481	$10	$510	$198	$3,123	$6,567
Total, All Manufacturing (108)	2,730	134	0	1,581	85	6	404	520	4,984	7,714
Machinery (14)	1,453	556	0	583	212	26	20	57	2,010	3,463
Computer, Electronic, and Electrical Products and Components (19)	2,828	0	0	1,828	12	0	344	643	5,861	8,689
Fabricated Metal Products (24)	1,533	634	0	558	204	2	94	41	586	2,119
Pulp, Paper, Lumber, and Furniture (13)	2,084	432	0	575	187	139	679	72	1,746	3,830
Food, Beverage, and Tobacco (7)	1,916	457	0	709	146	0	552	52	1,778	3,694
Rubber, Leather, Plastic, and Allied Products (10)	796	0	0	384	329	0	65	18	1,319	2,115
Chemicals (including pharmaceutical companies) (7)	4,931	1,335	0	1,134	488	0	1,702	271	3,501	8,432
Other Manufacturing Industries (14)	1,501	78	0	692	641	29	30	30	1,784	3,285
Total, All Non-Manufacturing (258)	3,749	1,439	58	974	650	11	555	60	2,329	6,078
Retail Trade (14)	2,924	0	0	175	1,278	0	1,330	141	974	3,898
Health Care (including hospitals) (38)	1,954	641	149	977	102	13	48	23	2,581	4,535
Wholesale Trade (11)	2,746	0	0	241	2,259	41	38	168	1,905	4,651
Finance and Insurance (45)	3,137	1,156	1	1,074	462	19	400	26	2,782	5,919
Construction (29)	1,818	52	40	1,341	90	93	174	28	3,333	5,151
Transportation, Distribution and Warehousing (14)	6,826	664	0	1,599	3,190	0	1,372	1	2,103	8,929
Social Assistance (8)	437	4	0	317	104	0	0	12	539	976
Public Utilities (20)	5,154	2,624	350	1,722	27	21	141	269	2,926	8,080
Educational Services (7)	5,534	2,937	68	2,495	0	0	24	11	2,770	8,304
Support and Management Services (5)	5,476	793	0	3,643	0	0	1,018	22	3,735	9,211
Information (e.g., data processing, information services, and publishing) (7)	1,210	484	0	386	88	0	240	13	1,631	2,841
Professional, Scientific, and Technical Services (e.g., consulting, legal, accounting, and network services) (26)	4,377	34	0	3,435	40	134	698	37	3,849	8,226
Other Non-Manufacturing Industries (34)	4,478	3,230	0	183	4	0	927	134	1,658	6,136

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Table 22. Retirement and Savings Plan Payments as Percent of Payroll by Industry Group

Industry Group (# of Companies Reporting)	Total Employers' Share	Defined Benefit Pension Plan	Cash Balance or Other Hybrid Plan	401K or Similar Payments	Profit Sharing Payments	Stock Bonus and ESOP	Other	Costs of Plan Administration	Total Employee Payroll Deductions to Plans	Grand Total Employer Plus Employee
Total, All Companies (366)	8.0%	2.9%	0.1%	2.4%	1.1%	0.0%	1.1%	0.4%	6.5%	14.5%
Total, All Manufacturing (108)	4.5	0.3	0.0	2.5	0.2	0.0	0.7	0.8	7.8	12.3
Machinery (14)	3.1	1.0	0.0	1.3	0.6	0.1	0.0	0.1	4.1	7.2
Computer, Electronic, and Electrical Products and Components (19)	4.2	0.0	0.0	2.7	0.0	0.0	0.5	1.0	8.8	13.0
Fabricated Metal Products (24)	3.4	1.2	0.0	1.2	0.5	0.0	0.3	0.1	1.4	4.8
Pulp, Paper, Lumber, and Furniture (13)	5.1	1.0	0.0	1.5	0.6	0.5	1.4	0.2	4.2	9.3
Food, Beverage, and Tobacco (7)	5.3	1.3	0.0	1.8	0.4	0.0	1.6	0.1	4.3	9.6
Rubber, Leather, Plastic, and Allied Products (10)	2.3	0.0	0.0	1.0	0.9	0.0	0.3	0.1	3.7	6.0
Chemicals (including pharmaceutical companies) (7)	8.6	2.5	0.0	2.1	0.8	0.0	2.7	0.5	6.0	14.6
Other Manufacturing Industries (14)	4.6	0.3	0.0	2.1	2.1	0.1	0.0	0.1	5.3	9.9
Total, All Non-Manufacturing (258)	9.6	4.1	0.2	2.3	1.5	0.0	1.2	0.2	6.0	15.6
Retail Trade (14)	11.3	0.0	0.0	0.6	5.0	0.0	5.2	0.6	3.3	14.6
Health Care (including hospitals) (38)	6.7	2.3	0.6	3.4	0.2	0.1	0.2	0.1	9.3	16.0
Wholesale Trade (11)	7.4	0.0	0.0	0.6	6.2	0.1	0.1	0.4	4.7	12.1
Finance and Insurance (45)	6.0	2.2	0.0	2.0	1.1	0.0	0.6	0.1	5.2	11.2
Construction (29)	3.6	0.1	0.1	2.5	0.2	0.2	0.4	0.1	5.7	9.3
Transportation, Distribution and Warehousing (14)	15.5	1.8	0.0	3.6	7.1	0.0	3.1	0.0	4.7	20.2
Social Assistance (8)	1.7	0.0	0.0	1.1	0.5	0.0	0.0	0.1	2.0	3.7
Public Utilities (20)	8.9	4.7	0.6	2.9	0.0	0.0	0.2	0.4	4.9	13.8
Educational Services (7)	9.4	5.1	0.2	4.0	0.0	0.0	0.1	0.0	4.2	13.6
Support and Management Services (5)	9.5	1.4	0.0	6.3	0.0	0.0	1.8	0.0	6.0	15.5
Information (e.g., data processing, information services, and publishing) (7)	1.7	0.6	0.0	0.6	0.2	0.0	0.2	0.0	2.2	3.9
Professional, Scientific, and Technical Services (e.g., consulting, legal, accounting, and network services) (26)	5.1	0.1	0.0	3.6	0.1	0.2	1.1	0.1	5.0	10.1
Other Non-Manufacturing Industries (34)	13.4	10.5	0.0	0.6	0.0	0.0	1.9	0.4	4.4	17.8

USCC 56525

DETERMINE HOW YOUR COMPANY'S BENEFIT COSTS MEASURE UP

A copy of the instructions and survey questionnaire used to conduct the *Study* is reproduced following this section. To determine how your company's benefits costs measure up, complete the survey based on your company's 2001 payroll and expenditures. Next, complete lines 1 through 4 below and perform the listed calculations. Finally, compare your calculated figures to the findings of the *Study*.

1. Average hours per week worked by a typical full-time employee in 2001: _____ hours
   (Fourth line from the bottom on the first page of the survey)
2. Full-Time Equivalent Employees
   (Second line from the bottom on the first page): $_____
3. Total Gross Payroll (Last line on the first page): $_____
4. Total Employer Benefit Payments (Line 35 on the last page of the survey): $_____

Percent of Payroll Spent on Employee Benefits

To calculate the cost of employee benefits as a percent of payroll, divide Total Employer Benefit Payments (line 4 above) by Total Gross Payroll (line 3 above):

$$\frac{\text{Total Employer Benefit Payments}}{\text{Total Gross Payroll}} = _____\ \%\ \textit{Percent of Payroll Spent on Employee Benefits}$$

Annual Dollars Spent on Benefits Per Employee

To calculate the cost of employee benefits as annual dollars per employee, divide Total Employer Benefit Payments (line 4 above) by Full-Time Equivalent Employees (line 2 above):

$$\frac{\text{Total Employer Benefit Payments}}{\text{Full-Time Equivalent Employees}} = \$_____\ \textit{Annual Dollars Spent on Benefits Per Employee}$$

Cents Per Payroll Hour Spent on Employee Benefits

To calculate the cost of employee benefits as cents per payroll hour, first calculate Total Payroll Hours by multiplying Full-Time Equivalent Employees (line 2 above) by Average Weekly Hours (line 1 above), and then by 52, to account for all 52 weeks of the year.

Full-Time Equivalent Employees x Average Weekly Hours x 52 weeks = _____ Total Payroll Hours

Next, divide Total Employer Benefit Payments (line 4 above) by Total Payroll Hours (calculated above):

$$\frac{\text{Total Employer Benefit Payments}}{\text{Total Payroll Hours}} = _____\ ¢\ \textit{Cents Per Payroll Hour Spent on Employee Benefits}$$

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COPY OF SURVEY USED IN THE 2002 Employee Benefits Study

2002 EMPLOYEE BENEFITS SURVEY (reporting data from calendar/fiscal year 2001)
INSTRUCTIONS

This survey is confidential. Data from individual firms will not be disclosed. Data will be published only in the aggregate for groups of companies. Only persons handling the research will see your responses.

1. **Coverage:** Use year end figures, either fiscal or calendar 2001. Include data for *all* employees *except* officers of the company, or similar executives who receive dramatically different compensation packages than the average employee at your company.
2. **Approximate or incomplete data:** If you are unable to give an exact cost of a benefit program that your company offers, please give your best estimate – an estimate is much better than a zero! Where possible, guidelines for estimating costs are provided.
3. **Cost for benefits not offered:** If your company does not offer a benefit listed on the survey, please enter a "0" in the amount box.
4. **Instructions for specific questions:** Double asterisks (**) after a question indicate that further instructions are provided below.

Section B

Average number of employees: Example: If your company had a regular staffing level of 100 employees including both full-time and part-time employees for the majority of 2001, enter "100".

Full-time equivalent employees: A full-time equivalent employee is a worker who averages 40 hours per week, or a combination of part-time workers who average a combined 40 hours per week (e.g., 2 part-time workers who average 20 hours per week are considered as one full-time equivalent employee).

Total Gross Payroll: Report total 2001 year-end payroll prior to any deductions (e.g., deductions for taxes, 401(k) plans), not "take-home pay".

Section C

3. Workers' compensation: If your company is self-insured, report total amount of actual disbursements and/or state assessments.

4. Other legally-required payments: Examples of other legally-required payments may include State payroll and Federal Railroad Retirement taxes.

Section D

5. Cafeteria Plans or Mixed Benefit: If you have a cafeteria plan, allocate costs based on the proportional sharing of costs under the cafeteria program. For example, if the total cost for the cafeteria program was $1,000,000 and the employer's contribution was $800,000, the employer's share for each of the programs should be prorated at 80% of the program cost, and the employees' share would be 20% of the program cost.

Section E

Estimation guidelines for holidays, sick days, and paid days off: If you are unable to provide actual figures for paid day off expenses (e.g., holiday, sick day) please estimate each paid day off as .00385 x (times) straight-time pay.

8. Leave benefits: Complete the sections that best describe your leave policies. If your company provides "personal days" in addition to vacation, include the number and costs of personal days in the vacation totals.

9. Paid rest periods: Estimate the cost of paid breaks for **hourly employees only** as 2% of gross hourly payroll for each 10-minute rest period of a typical hourly worker on a typical day. Report these costs whether or not there is a formal rule providing for such periods.

Section F

12. Short-term disability, sickness or accident insurance: If your company pays actual costs rather than insurance premiums, please report your total actual expenditures for 2001.

13. Long-term disability or wage continuation: Report actual 2001 expenditures, whether from insurance costs, self-administered, or trust program.

15a. Hospital, surgical, medical, and major medical insurance: Report total company payments and employee payroll deductions for premiums and/or expenses (except administration) related to hospital, surgical, medical, and major medical insurance including coverage through HMO, PPO, point of service, indemnity, or self-insured plans.

15a-15f: Please complete both sections; enter "0" if you do not contribute toward the cost of benefit; leave cost blank if you contribute or pay for benefit in full but cannot provide a separate cost for the item. Do not repeat figures included elsewhere.

15e. Life insurance: Report total net payments for life insurance coverage as well as death benefit payments made that were not covered by insurance. Exclude premiums for life insurance purchased under a pension plan, as they should be reported as part of pension plan expenses.

20. Health care premiums: If your company does not pay a defined percentage of health care costs, please estimate the average company contribution as a percent of health care premium cost for a typical employee. Example: If the company pays for the entire cost of health care for employees, 50% of family costs, but does not offer separate policies for dependents, the response would be: Employee: 100%; Spouse/Partner N/A; Child N/A; Family 50%.

Section G

Note: For retirement plan expenses, report 2001 payments into the fund(s), not fund(s) totals.

22. Defined contribution pension plans: Includes payments to 401(k) and 401(k) type plans (e.g., 403(b), and 457 plans).

23. Defined benefit pension plans: Defined benefit pension plans (i.e., plans insured by the Pension Benefit Guaranty Corporation) involve a promise to pay a fixed level of benefits on retirement. Report net payments after deducting any dividends or credits returned to employer by insurer.

28. Other retirement, savings plan, or bonus payments: Examples of other expenses may include non-qualified deferred compensation plans.

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COPY OF SURVEY USED IN THE 2002 Employee Benefits Study

2002 Employee Benefits Study (reporting data from calendar/fiscal year 2001)

U.S. Chamber of Commerce Statistics and Research Center

Please write answers clearly, and fill in response bubbles completely. Double asterisks (**) indicate that further guidance is provided in Instructions (see attached page).

A. CONTACT INFORMATION (for office purposes only)

Name: _____

Company: _____

May we include your company name in an alphabetic list of participants? O Yes O No

Telephone Number: _____ E-mail: _____

Address: _____

_____

Note: Your complimentary copy of the Study will be sent to your attention at this address.

B. ABOUT YOUR COMPANY

Please fill in the bubble that best describes the industry which provides the greatest portion of your company's revenues.

Please mark only ONE industry.

Non-Manufacturing

- O Retail Trade
- O Health Care (including hospitals)
- O Food and Lodging (e.g., motels, restaurants)
- O Wholesale Trade
- O Finance and Insurance
- O Construction
- O Transportation, Distribution and Warehousing
- O Rental, Leasing and Real Estate (including real estate sales and services)
- O Social Assistance (including social welfare organizations)
- O Arts, Entertainment, and Recreation (e.g., live performance, museums, sports clubs)
- O Public Utilities
- O Educational Services
- O Support and Management Services (e.g., management companies, administrative support)
- O Information (e.g., data processing, information services, and publishing)
- O Professional, Scientific, and Technical Services (e.g., consulting, legal, accounting, and network services)
- O Other non-manufacturing industry

Manufacturing

- O Machinery
- O Computer, Electronic, and Electrical Products and Components
- O Transportation Equipment
- O Fabricated Metal Products
- O Pulp, Paper, Lumber, and Furniture
- O Food, Beverage, and Tobacco
- O Textile and Apparel
- O Rubber, Leather, Plastic, and Allied Products
- O Chemicals (including pharmaceutical companies)
- O Printing (including related support activities)
- O Other manufacturing industry

Please summarize your company's major line of business: _____

In which geographic area do the majority of your employees work? Please mark only ONE region

- O New England (ME, VT, NH, MA, CT, RI)
- O Middle Atlantic (NY, PA, NJ)
- O East North Central (WI, IL, MI, IN, OH)
- O West North Central (ND, SD, NE, KS, MN, IA, MO)
- O South Atlantic (WV, VA, MD, DE, DC, NC, SC, GA, FL)
- O East South Central (KY, TN, MS, AL)
- O West South Central (TX, OK, AR, LA)
- O Mountain (MT, ID, WY, NV, UT, CO, AZ, NM)
- O Pacific (WA, OR, CA, HI, AK)
- O Employees not centralized in any one area

Do the majority of your employees work in a metropolitan area? O Yes O No

Average number of employees throughout 2001 for whom you are reporting data**: ☐,☐☐☐,☐☐☐

Average hours per week worked by a typical full-time employee in 2001: ☐☐

What percentage of your workforce are part-time workers? (i.e., work less hours than the normal FT work week) ☐☐☐.☐%

Total 2001 *full-time equivalent employees*** included in your survey data: (**See Instructions page) ☐,☐☐☐,☐☐☐

(NOTE: This number should be equal to or less than the average number of employees reported above)

Total 2001 Gross Payroll** (report actual wages) $☐☐,☐☐☐,☐☐☐,☐☐☐.☐☐

Report total payroll disbursements prior to employee deductions of all income and payroll taxes, and pay deferral programs (such as 401(k) plans and other deductions).

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For all figures, provide total year-end 2001 expenses (either fiscal or calendar 2001, whichever is easier for you).

C. LEGALLY-REQUIRED PAYMENTS

	Employee Share	Employer Share
1. Federally-required payroll taxes (i.e., Social Security/Medicare/FICA taxes) Note: Employee & Employer shares should each equal approximately 7.65% of payroll.	$ ___,___,___.__	$ ___,___,___.__
2. Federal & state unemployment employer payments (e.g., taxes, penalties, assessments)		$ ___,___,___.__
3. Workers' compensation employer payments** (e.g., insurance premiums, taxes, penalties, assessments)		$ ___,___,___.__
4. Other** (excluding income taxes)	$ ___,___,___.__	$ ___,___,___.__

Description of "other" costs: _____

I. Total employer legally-required benefit payments: (Total of lines 1-4, employer's share only) $ ___,___,___,___.__

D. OVERALL BENEFITS

5. Which of the following best describes your firm's employee benefit offerings?**

- ○ None offered beyond legally-required benefits
- ○ Fixed benefit plan
- ○ Cafeteria plan** (allow employees to choose between benefits and/or benefit plans)
- ○ Mixed benefit package** (part of the benefits package is fixed and part is cafeteria)

6. Which of the following benefits do you offer to your workers? *Mark all that apply*

	Full-time workers	Part-time workers		Full-time workers	Part-time workers
Paid holidays	○	○	Retirement plan(s)	○	○
Paid vacation	○	○	Life insurance	○	○
Paid sick leave	○	○	Short-term disability	○	○
Health insurance	○	○	Long-term disability	○	○

E. PAYMENTS FOR TIME NOT WORKED

7. How many paid holidays (including floating holidays) did your firm recognize in 2001? ___ holidays

7a. Total payments made for or in lieu of holidays** $ ___,___,___.__

8. What types of paid leave benefits (other than holidays) do you offer?**

- ○ Paid time off plan (i.e., combined vacation and sick leave account) - PLEASE COMPLETE 8a BELOW
- ○ Paid vacation (other than paid time off plan) - PLEASE COMPLETE 8b BELOW
- ○ Paid sick leave (other than paid time off plan) - PLEASE COMPLETE 8c ON NEXT PAGE
- ○ None - PLEASE SKIP TO QUESTION 9 ON NEXT PAGE

Please mark and complete all sections that apply

8a. Total actual payments for paid time off plan in 2001** $ ___,___,___.__
(Include expenses for paid time off paid for but not taken)

How many annual days would a typical employee with the following years of service at your company receive in his/her paid time off account? (not including floating holidays)

1 year: ___ days 5 years: ___ days 10 years: ___ days 15 years: ___ days 20 years: ___ days

OR

8b. Total actual payments for paid vacation in 2001** $ ___,___,___.__
(Include expenses for vacation time paid for but not taken)

How many annual vacation days would a typical employee with the following years of service at your company receive? (including personal days, but not including floating holidays)

1 year: ___ days 5 years: ___ days 10 years: ___ days 15 years: ___ days 20 years: ___ days

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8c. Total actual payments for sick leave in 2001** _____ $ ___,___,___.__

What was the average number of sick days paid per employee in 2001? _____ ___ sick days

	Employer Share
9. Paid rest periods for hourly employees** (e.g., coffee breaks, lunch periods, wash-up time, etc.) _____	$ ___,___,___.__
10. Family and medical leave payments (e.g., maternity and paternity leave) _____	$ ___,___,___.__
11. Other payments for time not worked (e.g., jury duty, military leave, bereavement, etc.) _____	$ ___,___,___.__

Description of "other" costs: _____

II. Total employer payments for time not worked benefits: _____ $ ___,___,___,___.__
(Total of lines 7a, 8a, 8b, 8c, 9, 10, and 11, employer's share only)

F. MEDICAL AND MEDICALLY-RELATED BENEFITS (INCLUDING LIFE INSURANCE AND DEATH BENEFITS)

	Employee Share	Employer Share
12. Short-term disability, sickness or accident insurance** _____	$ ___,___,___.__	$ ___,___,___.__
13. Long-term disability or wage continuation** _____	$ ___,___,___.__	$ ___,___,___.__

14. Which of the following medically-related benefits do you offer? *Mark all that apply*

- ○ HMO plan
- ○ PPO health insurance plan
- ○ Point of service plan
- ○ Indemnity health insurance plan
- ○ Alcohol and drug abuse treatment
- ○ Medical savings accounts
- ○ Medical spending or reimbursement accounts
- ○ Coverage for unmarried domestic partners
- ○ Chiropractic care
- ○ Alternative forms of medical care (e.g., homeopathy, herbal therapies)
- ○ Long term care insurance
- ○ Coverage for retirees under 65
- ○ Mental health coverage on a parity basis to physical health benefits

15. What was the amount spent by your company in 2001 on each of the following medical and life insurance benefits:
Note: If you are unable to separate your medical expenses, please report all such expenses on line 15a.

Does your firm offer:	Not offered	Yes, cost is listed at right	Yes, but cannot break out costs	Employee Share	Employer Share
15a. Hospital, surgical, medical, and major medical insurance**	○	○	○	$ ___,___,___.__	$ ___,___,___.__
15b. Dental insurance**	○	○	○	$ ___,___,___.__	$ ___,___,___.__
15c. Vision care**	○	○	○	$ ___,___,___.__	$ ___,___,___.__
15d. Retiree health insurance**	○	○	○	$ ___,___,___.__	$ ___,___,___.__
15e. Life insurance premiums and death benefits**	○	○	○	$ ___,___,___.__	$ ___,___,___.__
15f. Prescription drug coverage**	○	○	○	$ ___,___,___.__	$ ___,___,___.__

If offered, who is covered by prescription drug coverage? ○ Currentemployees ○ Retirees under 65 ○ Retirees 65 or older *Mark all that apply*

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16. Does your firm self-administer any part of its health plans? O No O Yes, self administer all O Yes, self administer some

16a. Cost of health plan administration *(leave blank if included elsewhere)* ..... $ ___,___,___.__

17. Does your firm use any of the following cost-control methods? ***Mark all that apply***

O Pre-admission certification
O Mail-order pharmacy
O Pharmacy benefit manager
O Behavioral health services manager
O Self-insure or fully insure any of your health benefits
O Participate in a group purchasing arrangement for either medical services or medical insurance with other firms

18. What is the waiting period for health insurance coverage?

Full time employees:	O None	O Up to 1 month	O >1 month, up to 3 months	O >3 months up to 6 months	O >6 months
Part time employees:	O None	O Up to 1 month	O >1 month, up to 3 months	O >3 months up to 6 months	O >6 months

19. How are health insurance premium costs paid?

O Fully paid by the employer O Fully paid by the employee O Proportional shared cost (employer & employee each pay a set percentage)
O Defined dollar contribution by the employer (employer pays a set dollar amount) O Defined dollar contribution by the employee (employee pays a set dollar amount)
O Other (please specify) _____

20. Please indicate the percent of health care premium/costs which the company pays for each of the following:**
If you do not offer a policy coverage option corresponding to a choice below, please write "N/A" for that choice. Write "0" if employee pays the full premium.

Employee: ___ % **Spouse/Partner:** ___ % **Child:** ___ % **Family:** ___ %

21. Other medical benefits not included elsewhere (please specify) _____

Employee Share: $ ___,___,___.__ **Employer Share:** $ ___,___,___.__

III. Total employer payments for medically-related benefits: ..... $ ___,___,___,___.__
(Total of lines 12,13, 15a, 15b, 15c, 15d, 15e, 15f, 16a, and 21 - employer's share only)

G. RETIREMENT. SAVINGS PLAN. AND BONUS PAYMENTS

Which of the following types of savings and pension plans do you offer?

22. Defined contribution plan** (e.g., 401(k)) ..... O Yes O No **Employer Share**

Employee Share: $ ___,___,___.__ $ ___,___,___.__

22a. Percentage of employees participating: ..... ___.__ %

22b. Can employees borrow against their balances? ..... O Yes O No

23. Defined benefit pension plan** (but not cash balance plans) ..... O Yes O No $ ___,___,___.__

24. Cash balance or other hybrid plans ..... O Yes O No $ ___,___,___.__

25. Profit-sharing plan ..... O Yes O No $ ___,___,___.__

26. Employee stock ownership plan (ESOP) or stock bonus plan ..... O Yes O No $ ___,___,___.__

27. Do you outsource the management of any of your retirement plans? O Yes O No

27a. Cost of plan(s) administration: ..... $ ___,___,___.__

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28. Other retirement, savings plan, or bonus payments (please specify)

Employee Share: $ ___,___,___.__ Employer Share: $ ___,___,___.__

IV. Total employer payments for retirement, savings plan, and bonuses: $ ___,___,___,___.__
(Total of lines 22, 23, 24, 25, 26, 27a and 28 - employer's share only)

H. MISCELLANEOUS BENEFIT PAYMENTS

29. Which of the following flexible benefit programs do you offer?

O Flexible Spending Accounts (pre-tax) for child care O Flexible Spending Accounts (pre-tax) for transportation O Flexible Work Schedules

Employer Payments

30. Severance pay ..... $ ___,___,___.__

31. Employer dependent care contributions (including on-site and third party expenses) ..... $ ___,___,___.__

32. Employee education expenditures (e.g., tuition refunds, seminar attendance, etc.) ..... $ ___,___,___.__

33. Discounts on goods and services purchased from the company by employees ..... $ ___,___,___.__

34. Other employee benefits** (please specify)

Employee Share: $ ___,___,___.__ Employer Share: $ ___,___,___.__

V. Total employer payments for miscellaneous benefit payments: $ ___,___,___,___.__
(Total of lines 30, 31, 32, 33, and 34, employer's share only)

I. BENEFIT PAYMENTS: GRAND TOTALS

35. *Employer* benefit payments - GRAND TOTAL: ..... $ ___,___,___,___.__
Total of lines I, II, III, IV, and V.

36. *Employee* benefit contributions - GRAND TOTAL: ..... $ ___,___,___,___.__
Total of lines 1, 4, 12, 13, 15a, 15b, 15c, 15d, 15e, 15f, 21, 22, 28, and 34 employee's share only

J. ADDITIONAL COMMENTS

37. If you experienced any large unusual benefit costs and/or refunds in 2001 (e.g., one-time retirement plan contribution; large layoff of employees), or have any comments in regard to this survey, please note in the space below or attach a separate sheet.

Receipt #

USCC 56532

KEY DEFINITIONS UTILIZED IN THIS REPORT

✓ The *Employee Benefits Study* includes as points of study both benefits (such as health insurance, contributions to retirement and savings plans, vacation and sick leave) and legally required payments (such as Social Security payroll tax, unemployment insurance tax, and state workers' compensation insurance premiums). Total benefit costs in this study include legally required payments.

✓ As in previous editions, employee benefits as described above are tracked in three ways:

1. annual dollars per employee;
2. cents per hour; and
3. a percentage of gross payroll.

✓ "Pay" is defined simply as gross payroll. In some cases, certain benefits are also a part of gross payroll (e.g., vacation pay, holiday pay, sick leave). Thus, for example, sick leave, when presented as a percentage of payroll, is a part of *both* the numerator *and* the denominator in the equation.

✓ "Total Gross Payroll" includes total actual wages *prior to* employee deductions, such as taxes and employee contributions to 401(k) plans.

✓ "Per Employee" figures are based on the total number of 2001 full-time equivalent employees as reported by the survey respondents. For example, where a full-time worker averages 40 hours a week, two workers averaging 20 hours a week are considered one full-time equivalent employee.

✓ For the majority of the analysis, benefits are analyzed in terms of average benefit *per employee* rather than *per employer*. To illustrate the significance of this distinction, consider an example computation of average sick leave pay provided by two employers.

- Employer A has 100 full-time employees and provides $500 sick leave pay per employee.
- Employer B has 10 full-time employees and provides $100 sick leave pay per employee.

Average number of sick leave pay provided to the typical employee	Average number of sick leave pay provided by the typical employer
($500 x 100 employees) + ($100 x 10 employees)	($500 + $100)
110 total employees	2 employers
=	=
$460 sick leave pay per employee	**$300** sick leave pay per employee

Thus, our analysis computes the average for each benefit by weighting the benefits provided by the number of full-time equivalent employees.

✓ For companies not offering a benefit, the total cost of providing that benefit was considered to be $0. Therefore, the "average" cost of providing a benefit within any given survey group will be lowered proportionately by the number of companies within that group which do not offer that benefit at all. In this sense, the survey reports the actual average amount received across all employees within that group, not the average amount provided by employer firms offering that benefit.

USCC 56533

ABOUT THE U.S. CHAMBER OF COMMERCE

The U.S. Chamber of Commerce is the world's largest business federation representing more than 3 million businesses and organizations of every size, sector and region. The U.S. Chamber of Commerce has been championing the business community for 90 years. The Chamber's primary mission is to fight for the interest of business and free enterprise before Congress, the White House, regulatory agencies, the courts, the court of public opinion, and before governments around the world.

If you are interested in becoming a member of the U.S. Chamber of Commerce, or would like to find out more about what we do, please call our membership department at 1-877-580-4705. Or, visit us on the World Wide Web at www.uschamber.com.

USCC 56534

Three Easy Ways To Make Your Employee Benefits Package More Competitive

A heavyweight employee benefits packa[illegible] The American International Companies® [illegible] ployee benefits package more competitive [illegible] *nt, Business Travel Accident* and *Vision Care Insurance* [illegible] miums.

If you are a U.S. Chamber of Commerce member, you [illegible] efit from special enhancements to these products through the AIG/U.S. Chamber Endorsed Insurance Program.

1. **Basic Accidental Death & Dismemberment (AD&D) Insurance** lets you offer employees vital coverage in a tailor-made, employer benefits program.

2. **Business Travel Accident Insurance** protects employees traveling on official company business across the ocean, across the country or across the street.

3. **Vision Care Insurance** is a simple and affordable way to add outstanding value to your benefits plan by offering one of employees' most sought-after benefits.

For more information and complete details of the coverages, please contact your insurance broker or call an American International Companies' representative at 1-866-244-7950.

The employee benefits products discussed above are underwritten by AIG Life Insurance Company (AIG Life), Wilmington, DE and American International Life Assurance company of New York (AILife), New York, NY. AIG Life does not solicit business in New York. This is only a brief description of the coverages available. The policies will contain reductions, limitations, exclusions and termination provisions. Coverage may not be available in all jurisdictions.

USCC 56535

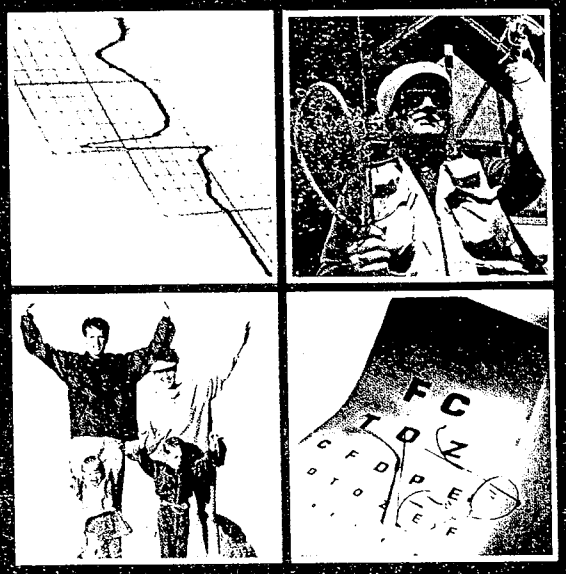
AIG **American International Companies®**

Insurance Provided by Members of American International Group, Inc.

Endorsed by the U.S. Chamber of Commerce for its Members

EXHIBIT 7

EMPLOYEE BENEFITS STUDY



2005

PECK EXHIBIT 7
Offered by Opposer, The Chamber of Commerce of the United States of America

The Chamber of Commerce of the United States of America v. United States Hispanic Chamber of Commerce Foundation
Opposition Number 91/156,321

USCC 56537

U.S. Chamber of Commerce
Statistics and Research Center

EMPLOYEE BENEFITS STUDY

2005

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AIG Small Business Accident & Health Division
Innovative Employee Benefits and Risk Management Solutions

Increase Employee Retention and Satisfaction with One of the Top Most Wanted[1] Employee Benefits!

AIG VISION CARE

Approximately 60% of the U.S. population wears corrective lenses.[2] Two-thirds of employees believe eye exams and eyeglasses should be among their employee benefits.

Gain a competitive edge in recruiting and retaining good people with AIG Vision Care. Help your employees meet the widespread need for quality vision care at an affordable cost.

Advantages for Employers

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- Allows employers to implement as a voluntary program with convenient payroll deductions
- Requires little administration

Advantages for Employees

- Encourages routine eye exams
- Highly flexible access to qualified providers nationwide
- Easy 24/7 benefit verifications online or via toll-free phone line

USCC 56539

To learn more about AIG Vision Care Insurance or any of our other Accident & Health coverages, please contact your local broker, visit ***www.aigsmallbusiness.com*** *or call AIG Broker Services at* ***(866) 867-3783.***

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AIG Life Insurance Company, a Delaware insurance company, has its principal place of business at 600 King Street, Wilmington, Delaware 19801. It is currently authorized to transact business in all states (except New York), District of Columbia and Puerto Rico. NAIC No. 66842.

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The description herein is a summary only. It does not include all terms, conditions and exclusions of the policies described. Please refer to the actual policies for complete details of coverage and exclusions. Issuance of coverage is subject to underwriting. Coverage may not be available in all jurisdictions.

[1] Employee Benefit Plan Review, March 2002.
[2] Best's Review, 2001.

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Introduction

The U.S. Chamber of Commerce is pleased to present the *2005 Employee Benefits Study* (42nd edition). This report, underwritten by American International Group, Inc. (AIG), details the benefits that U.S. employers provided their employees in addition to wages for calendar/fiscal year 2004. As the world's largest business federation, the U.S. Chamber of Commerce is the leading advocate for free enterprise and the business community. In support of that mission, the U.S. Chamber's Statistics and Research Center regularly collects, analyzes, and distributes statistics of significance to the U.S. business community. AIG is the world's leading international insurance and financial services organization, and the AIG companies are the largest underwriters of commercial and industrial insurance in the United States.

The *2005 Employee Benefits Study* is designed to provide accurate and authoritative information on the actual value of benefits provided by employers to employees. The *Study* is useful for a wide range of practical and academic applications. For example, recruitment specialists will find the *Study* to be an invaluable reference tool for assessing the competitiveness of a total compensation package *vis-à-vis* the employment marketplace as a whole. Business owners and executives can use the *Study* to identify the strengths and potential areas for improvement of their company's compensation packages. Academics will find the *2005 Study* to be a respected resource for documenting the benefits provided to employees.

The 722 firms that participated in this study provided benefits data for 652,949 full-time equivalent employees. These firms represent a cross-section of U.S. businesses in terms of industries, geography, and size. To these companies, and most especially the individuals who took the time to gather the necessary details and complete the survey, we extend our gratitude. It is through the willingness of these firms to share their benefits practices that we are better able to understand the important role of employee benefits in the free enterprise system.

USCC 56542

Using the Study to Evaluate Your Benefits Plan

Attracting and retaining quality employees is one of the greatest challenges in business today. Employees are increasingly aware of the benefits they receive — and how those benefits compare to what other companies are offering. The U.S. Chamber of Commerce *Employee Benefits Study* provides a wide array of facts to help you see how your company's benefits compare to those of other businesses. This section provides an overview of the information included in the *Study* as well as guidelines for using the *Study* to conduct a comparative assessment of your benefits plan.

- **Identify the *Study* categories that best define your company.** The *Study* presents information for U.S. companies in general (typically referred to as Total, All Companies), by employee size, industry, geographic location, and by for-profit or nonprofit status. In order to obtain the best picture of how your company measures up, determine which categories best fit your firm. You may also want to compare your figures to the categories of companies with whom you compete for employees.

- **Review the Methodological Note and Definitions.**

- **Compare the benefits that you offer to what other companies provide.** An overview of the percentage of firms offering benefits to full-time and part-time employees is presented on page 8. In addition, more in-depth investigations of paid time off, medical, and retirement and savings plan benefit offerings are presented on pages 31, 33, and 40, respectively.

- **Complete the copy of the survey and calculate your total benefits cost.** Easy-to-follow instructions are presented on page 49.

- **Utilize the appropriate average cost charts to compare the total cost of your employee benefits program.** A comparison of your total benefits costs is often the best indicator as to whether your benefits package is competitively funded vis-à-vis other companies. Be sure to reference Table 2 to determine the ranking of your total benefits package cost. You may also want to read the discussion of benefits costs presented in the Highlights section on page 8.

- **Benchmark your actual line item costs for specific medical or retirement benefits.** If you would like to compare your actual benefit line item costs (e.g., HMO premiums) to the average payment by survey participants, calculate your line item cost as a percentage of payroll by following the instructions for calculating the percent of payroll spent on benefits substituting the specific line item cost for Total Employer Benefits Payments. Benchmarking figures for medical items are provided on pages 37 and 44; figures for retirement plans are discussed in the text on pages 41 and 44.

Once you have completed your benefits package review, if you have determined your total benefits costs to be comparative to companies similar to you, yet are still concerned your benefits package is not competitive, you may want to conduct more direct research among your employees to determine their views of your benefits package. It may also be a good idea to contact alternate benefit providers to ensure that you are receiving the best value for your benefits costs.

Take the survey!

Tell us about your benefits coverage and costs and be included in the *2006 Employee Benefits Study*!

Log on to **www.benefitstudy.com.**

USCC 56543

Methodological Note

The *2005 Employee Benefits Study* is an analysis of the actual employee benefits practices of 722 U.S. employers in 2004. These companies, which include both Chamber members and non-members who voluntarily participated in the *Study*, collectively employ approximately 652,949 full-time equivalent workers. These firms comprise a cross-section of all U.S. employers in terms of number of employees, type of industry, geographic region, and size of payroll.

As with each edition of the *Study*, the survey sample for the *2005 Employee Benefits Study* has a slightly different demographic composition than previous editions. In addition, the demographics of participating companies have varied. Due to the changes in sample composition, caution is recommended when attempting to draw conclusions from year-to-year comparison of *Study* findings.

Survey Participants by Number of Employees

Number of Employees	Number of Companies	Percent of Participating Companies
Under 100	366	51%
100–499	192	27%
500–999	60	8%
1,000–2,499	53	7%
2,500–4,999	20	3%
5,000 and over	31	4%

Changes in Survey Design

The *2005 Employee Benefits Study*, while building on the success of the past surveys, incorporates modifications that reflect changes in the business community as well as in benefit practices.

In the Medical section, adjustments were made to medically related benefits. Flexible Spending Accounts and Health Savings Accounts were added to reflect new federal government programs.

Other Notes

The reader may wish to consult the actual survey (pages 49–54, including instructions) that was used to develop the *Study*, in order to gain a better understanding of how concepts and companies reported data in the survey. Employers were asked to report data for all employees except officers who receive dramatically different benefits than the average employee.

With the exception of Table 19, which reports employee deductions, all data presented in the tables of the *Study* are payments made by the employer. For further details, see Definitions on page 47.

Industry categories are segmented based on the U.S. Census Bureau's Standard Industry Classification (SIC) system. For a listing of industry descriptions and definitions, and to help determine your company's industry, visit **http://www.census.gov/epcd/www/naics.html.**

Other Manufacturing Industries includes companies that did not identify a major line of business from the provided choices, in addition to a small number of respondents from the Textile & Apparel and Instruments & Related Products industries.

There is a wide variation in types of medical plan coverage and the various ways that companies report medical benefits' costs. Specifically, several firms were able to provide separate employer costs for major medical insurance, dental insurance, vision care, short and long term disability, etc. However, those that were unable to separate these costs out from their major medical insurance expenditures or sick leave costs provided one total value representing all medical/disability costs. Therefore, the figures reported for some medical insurance and sick pay may be slightly over-reported while costs for other medical benefits may be underrepresented in this analysis.

USCC 56544

Highlights of Findings

With the exception of 12 respondents (<2%), every company participating in the survey offers employee benefits beyond legally required benefits (which include payroll taxes, workers' compensation, unemployment, etc.).

Full-Time and Part-Time Employee Benefits

- Over 97% of participating companies provide paid vacation, holiday and health insurance benefits to full-time employees, while 9 out of 10 (89%) provide retirement benefits. The majority provide life insurance (87%), dental (80%), sick leave (78%), long-term disability (71%), and short-term disability (64%) benefits.
- Over 1 in 3 participating companies offer benefits to part-time workers. The most common benefits provided to part-time workers are paid holiday (37%), vacation (37%) and retirement benefits (35%).
- The percentage of participating companies that offer specific benefits were comparable in all categories from 2003 to 2004 with the exception of paid sick leave for full-time employees, which increased from 2003 to 2004.

Type of Benefits Packages

- Fixed benefits packages, in which employees receive a set of benefits determined by the company, are the most common type of benefits plan, offered by 4 out of 10 participants (38%). However, more than half of participating companies (60%) provide employees with the freedom to select the benefits they receive through a benefits cafeteria plan or mixed benefits plan package in which part of the benefits are determined by the company and part are determined by the employee.

Type of Benefits Plan Offered	All Companies
Fixed benefits plan	38%
Mixed benefits package	37%
Cafeteria plan	23%
None offered beyond legally required benefits	<2%

Dollars Per Employee

- Employees at participating companies received an average of $20,158 in benefits in addition to wages in the *2005 Study*, compared to $18,358 in the previous year's *Study*. Employer costs for employee benefits include $5,790 of medically-related benefits, $5,324 of paid time off, and $4,161 in retirement and savings.

Percent of Payroll

- The cost of benefits averaged 40.2% of payroll among participating companies. However, as in previous *Studies*, benefits varied significantly between companies. For example, 1 in 10 participating companies paid more than 50.5% of payroll in benefits, while an equal percentage paid less than 23.5%.

	All Companies, 2004	
Type of Benefit	FT	PT
Paid vacation	98%	37%
Paid holidays	97%	37%
Health insurance	97%	23%
Retirement plan(s)	89%	35%
Life insurance	88%	18%
Dental	80%	22%
Paid sick leave	78%	24%
Long-term disability	71%	13%
Short-term disability	65%	13%
Vision	47%	15%

	All Companies, 2003	
Type of Benefit	FT	PT
Paid vacation	98%	36%
Paid holidays	97%	37%
Health insurance	97%	26%
Retirement plan(s)	91%	38%
Life insurance	88%	22%
Dental	77%	22%
Paid sick leave	71%	24%
Long-term disability	70%	14%
Short-term disability	67%	14%
Vision	47%	17%

USCC 56545

- Payments for medically related benefits accounted for the largest share of employer benefits costs as a percentage of payroll (11.9%), followed by payments for vacation, holidays and other time not worked (10.5%), legally required payments (9.1%), and retirement benefits (8.0%).

Company Size

- Larger companies offer a greater number of employee benefits to their workers than smaller companies. Large companies are also more likely to offer benefits to part-time workers than are small companies; for example, while only 11% of participating companies with less than 100 employees offer health insurance to part-time workers, 59% of companies with more than 5,000 employees offer such benefits.

- The larger the company, the higher the costs of employee benefits as a percentage of payroll. Smaller companies (those employing fewer than 100 people) paid an average of 34.4% of payroll in benefits. Benefits costs at medium-sized companies (those with 500 to 999 employees) averaged 39.1% of payroll, while the larger companies (2,500 to 4,999 workers) paid an average of 42.1% of payroll.

Industry

- Manufacturing companies paid an average of 42.0% of payroll in benefits, while the average at non-manufacturing firms was 39.8% of payroll.

Geographic

- Metropolitan areas spent $1,000 more per employee for retirement payments, and over $600 more on payments for time not worked than companies in non-metro areas.

Nonprofit

- Participating nonprofit firms paid an average of 42.8% of payroll for employee benefits, compared to 37.6% of payroll for all companies.

Flexible Benefits

- In general, a greater percentage of non-manufacturing industries and large companies offer flexible benefits programs (e.g. childcare, compressed work schedule and transportation) as an employee benefit.

Flexible Benefits Program	All Companies
Flexible Spending Accounts for child care	46%
Flexible/compressed work schedules	12%
Flexible Spending Accounts for transportation	7%

Benefits Payments as a Percentage of Payroll, 2004

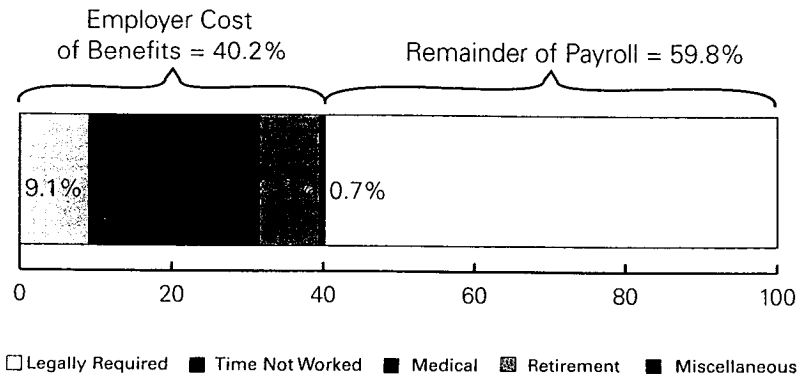

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TABLE 1

Employee Benefits by All Industry Groups

Type of Benefit	Percent of Payroll %			Cents Per Hour ¢			Annual Dollars Per Employee $		
	Total, All Companies	Total, Manufacturing	Total, Non-Manufacturing	Total, All Companies	Total, Manufacturing	Total, Non-Manufacturing	Total, All Companies	Total, Manufacturing	Total, Non-Manufacturing
Total Number of Companies	722	191	531	722	191	531	722	191	531
Total Number of Full-Time Equivalent Employees	652,949	134,042	518,907	652,949	134,042	518,907	652,949	134,042	518,907
Total Benefits	40.3%	42.0%	39.8%	965.4¢	952.0¢	969.0¢	$20,158	$19,981	$20,203
Legally Required Payments	9.1	9.8	8.9	212.7	224.4	209.6	4,474	4,720	4,411
Federally Required Payroll Taxes	7.0	7.3	6.9	168.7	169.6	168.4	3,562	3,564	3,561
Unemployment Compensation	0.7	1.1	0.6	15.4	23.2	13.3	316	487	272
Workers' Compensation Insurance	1.4	1.4	1.3	27.4	30.6	26.6	571	647	552
Other	0.1	0.0	0.1	1.3	1.0	1.3	25	22	26
Payments for Time Not Worked	10.5	11.9	10.2	254.8	275.9	249.3	5,324	5,781	5,206
Payments for Holidays	3.0	3.8	2.8	74.8	91.1	70.5	1,580	1,906	1,495
Paid Breaks, Etc.	0.8	1.2	0.7	17.5	20.6	16.6	355	435	334
Sick Leave Pay	1.2	0.7	1.3	27.5	19.4	29.6	558	405	598
Payments for Vacations	3.6	4.6	3.3	83.2	109.2	76.3	1,779	2,283	1,649
Paid Time Off	1.7	1.4	1.8	46.9	33.6	50.4	950	709	1,012
Family and Medical Leave Pay	0.1	0.0	0.1	1.6	0.7	1.8	32	15	36
Other	0.1	0.1	0.2	3.4	1.3	4.0	70	27	81
Medically Related Payments	11.9	11.2	12.1	276.4	251.0	283.1	5,789	5,279	5,920
STD, Sickness or Accident Insurance	0.2	0.1	0.2	5.4	3.0	6.0	122	63	137
LTD or Wage Continuation	0.2	0.1	0.3	6.4	3.1	7.2	137	66	156
Medical Insurance Premiums	9.4	8.0	9.7	211.5	175.4	221.1	4,410	3,696	4,594
Dental Insurance Premiums	0.5	0.6	0.5	12.3	14.2	11.7	263	298	254
Vision Care	0.0	0.0	0.0	0.6	0.8	0.6	12	16	12
Retiree Medical Insurance Premiums	0.6	1.2	0.5	16.9	28.6	13.8	340	596	274
Life Insurance and Death	0.3	0.3	0.3	7.0	5.8	7.3	152	122	159
Prescription Drug Coverage	0.5	0.7	0.5	12.0	16.2	10.9	265	338	246
Other	0.0	0.0	0.0	0.5	0.1	0.6	11	3	13
Administration Costs	0.2	0.1	0.2	3.8	3.8	3.8	77	80	76
Retirement and Savings	8.0	8.2	8.0	201.8	180.0	207.6	4,161	3,769	4,261
Defined Benefit Pension Plan	3.6	3.0	3.7	92.4	67.2	99.0	1,867	1,410	1,985
Cash Balance or Other Hybrid Plan	0.5	1.4	0.3	13.6	28.2	9.7	276	587	196
401K and Similar	2.2	2.1	2.2	57.8	48.6	60.2	1,198	1,018	1,244
Profit-Sharing	0.7	0.9	0.7	17.7	20.0	17.1	404	420	400
Stock Bonus/ESOP	0.8	0.7	0.8	13.9	14.2	13.8	283	295	280
Other	0.1	0.0	0.1	4.0	0.1	5.1	81	3	101
Administration Costs	0.1	0.1	0.1	2.5	1.7	2.7	52	37	55
Miscellaneous Benefit Pay	0.7	1.0	0.6	19.7	20.7	19.4	410	433	404
Severance Pay	0.3	0.3	0.3	9.6	9.5	9.6	202	198	203
Child Care	0.0	0.0	0.0	0.1	0.0	0.1	2	0	2
Employee Education Expenditures	0.1	0.1	0.1	3.1	3.0	3.1	64	63	64
Discounts	0.2	0.3	0.1	4.6	5.6	4.3	94	118	88
Other	0.1	0.2	0.1	2.4	2.6	2.4	49	54	47

USCC 56547

TABLE 2

Employee Benefits Costs, Ranked by Industry and Company Size

Among All Responding Companies	Percent of Payroll	Cents Per Payroll Hour	Annual Dollars Per Employee
10% of companies paid more than	50.5%	1,450.3¢	$29,736
25% of companies paid more than	41.3%	1,033.4¢	$21,960
50% of companies paid more than	34.3%	751.4¢	$15,784
75% of companies paid more than	27.7%	539.3¢	$11,424
90% of companies paid more than	23.5%	388.5¢	$8,167

Among Manufacturing Companies	Percent of Payroll	Cents Per Payroll Hour	Annual Dollars Per Employee
10% of companies paid more than	50.5%	1,202.9¢	$25,178
25% of companies paid more than	40.5%	953.9¢	$20,248
50% of companies paid more than	34.6%	706.4¢	$15,229
75% of companies paid more than	29.7%	546.7¢	$11,893
90% of companies paid more than	24.3%	411.4¢	$9,015

Among Non-Manufacturing Companies	Percent of Payroll	Cents Per Payroll Hour	Annual Dollars Per Employee
10% of companies paid more than	51.3%	1,532.2¢	$30,569
25% of companies paid more than	41.9%	1,112.6¢	$22,692
50% of companies paid more than	34.0%	763.1¢	$15,939
75% of companies paid more than	27.2%	535.3¢	$11,261
90% of companies paid more than	23.2%	383.9¢	$8,080

Among Small Companies (less than 100 employees)	Percent of Payroll	Cents Per Payroll Hour	Annual Dollars Per Employee
10% of companies paid more than	47.9%	1,353.7¢	$27,301
25% of companies paid more than	38.8%	919.8¢	$19,559
50% of companies paid more than	32.8%	664.1¢	$14,028
75% of companies paid more than	27.1%	491.3¢	$10,312
90% of companies paid more than	21.9%	350.5¢	$7,648

Among Medium Companies (100 to 499 employees)	Percent of Payroll	Cents Per Payroll Hour	Annual Dollars Per Employee
10% of companies paid more than	52.3%	1,413.3¢	$29,162
25% of companies paid more than	42.0%	1,031.7¢	$21,923
50% of companies paid more than	33.9%	797.4¢	$16,833
75% of companies paid more than	27.9%	474.0¢	$11,985
90% of companies paid more than	24.9%	401.1¢	$8,541

Among Large Companies (500 or more employees)	Percent of Payroll	Cents Per Payroll Hour	Annual Dollars Per Employee
10% of companies paid more than	56.2%	1,588.5¢	$32,802
25% of companies paid more than	45.6%	1,322.5¢	$26,819
50% of companies paid more than	37.3%	923.9¢	$19,375
75% of companies paid more than	30.2%	678.8¢	$14,187
90% of companies paid more than	24.6%	471.5¢	$9,809

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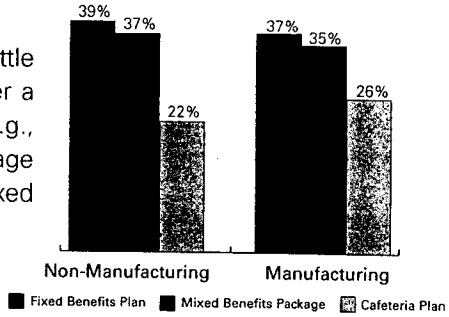
Industry Variations

Introduction to Industry

Overall Benefits

Participating manufacturing and non-manufacturing companies show little variance in the type of benefits plan offered to their employees; whether a company offers a fixed plan or one with more freedom to choose a plan (e.g., mixed or cafeteria plan) is predominately a matter of company size (see page 22). Non-manufacturing companies are only slightly more likely to offer fixed plans than manufacturing firms.

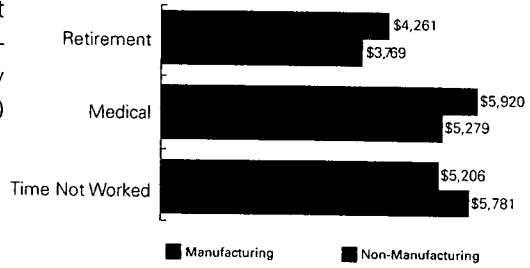
Type of Benefit Plan Offered



Value of Benefits

Total annual dollars per employee for manufacturing vs. non-manufacturing are $19,981 vs. $20,203, respectively. When separated by the benefit components, payments for time not worked are about $575 per employee higher at manufacturing firms, while non-manufacturing firms had a higher value for medical payments by $640 per employee and higher retirement payments by almost $500 per employee.

Value of Employee Benefits



Benefits Offered to Full-Time & Part-Time Workers

Although on average non-manufacturing companies annually spend about $200 more per employee, the breakout in the actual benefits provided show that manufacturing firms offer their employees a greater number of benefits. For example, manufacturing companies offer a greater percentage of benefits in all categories except for paid sick leave, vision, and long-term disability. When considering benefits payments to part-time employees, however, the differences are quite significant. In every benefits category, a higher percentage of non-manufacturing firms offer benefits to their part-time employees, and in many cases (e.g., life insurance, dental, paid sick leave, and vision) non-manufacturing firms are twice as likely to offer part-time employees benefits than manufacturing firms.

	Non-Manufacturing		Manufacturing	
	FT	PT	FT	PT
Paid vacation	97%	40%	99%	26%
Paid holidays	97%	37%	99%	32%
Health insurance	96%	27%	99%	13%
Retirement plan(s)	89%	39%	91%	25%
Life insurance	87%	20%	90%	11%
Dental	80%	25%	82%	13%
Paid sick leave	84%	28%	60%	12%
Long-term disability	73%	15%	65%	9%
Short-term disability	62%	14%	71%	10%
Vision	49%	18%	44%	6%

Flexible Work Schedules & Spending Accounts

All benefits categorized as 'flexible' are more common in non-manufacturing versus manufacturing companies. Flexible spending for child care is offered by about half of participating non-manufacturing firms, while only 4 in 10 manufacturing firms offer this benefit. Flexible or compressed work schedules are offered by non-manufacturing firms at about twice the rate of manufacturing companies. Flexible spending for transportation is offered by less than 1 in 10 of all participating companies, almost all of which are non-manufacturing firms.

Flexible Spending Account Trends

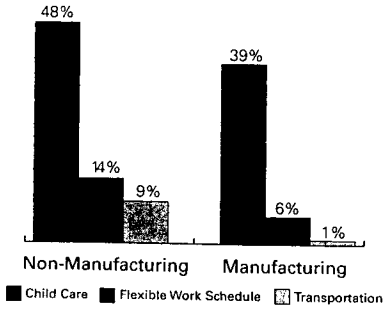


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TABLE 3

Employee Benefits as Annual Dollars Per Employee, by Manufacturing Industry Group

Type of Benefit	Total, Manufacturing	Chemicals (including pharmaceutical companies)	Computer, Electronic, and Electrical Products/Components	Fabricated Metal Products	Food, Beverage, and Tobacco	Industrial Machinery & Equipment	Instruments and Related Products	Non-metallic products (Rubber, Leather, Plastic, Glass, Clay)	Primary Metal Products (Steel, Smelting & Wire drawing)	Printing & Related Support Activities	Pulp, Paper, Lumber, and Furniture	Textile and Apparel	Transportation Equipment	Other Manufacturing Industries*
Total Number of Companies	191	15	19	30	15	21	14	25	10	13	11	6	6	6
Total Number of Full-Time Equivalent Employees	134,042	9,037	20,006	8,320	18,665	24,019	2,935	3,150	9,387	6,261	3,912	841	4,896	22,613
Total Benefits as Annual Dollars Per Employee	$19,981	$25,164	$19,789	$17,615	$26,243	$20,501	$10,989	$15,514	$20,465	$15,736	$17,944	$20,377	$21,301	$16,045
Legally Required Payments	4,720	4,810	5,345	5,745	4,767	5,454	3,747	4,353	4,658	4,276	4,444	4,520	4,328	3,401
Federally Required Payroll Taxes	3,564	4,111	4,446	3,595	3,401	4,255	2,548	2,907	3,662	3,245	3,254	3,804	3,199	2,349
Unemployment Compensation	487	251	472	613	877	455	459.00	321.00	406	274	284	204	536	417
Workers' Compensation Insurance	647	448	426	1,536	486	745	720	1,012	590	369	906	511	593	635
Other	22	0	0	1	3	0	20	112	0	388	0	0	0	0
Payments for Time Not Worked	5,781	5,994	5,983	4,531	6,396	8,967	2,417	4,036	5,189	3,351	4,112	5,833	4,170	4,318
Payments for Holidays	1,906	2,140	1,612	1,301	1,740	3,547	822	1,070	2,096	861	1,302	2,277	1,059	1,433
Paid Breaks, Etc.	435	463	199	593	81	124	176	1,120	677	711	527	194	205	1,002
Sick Leave Pay	405	481	104	71	526	1,179	130	235	329	301	193	6	390	16
Payments for Vacations	2,283	2,693	562	1,122	3,975	4,037	528	1,319	2,034	1,214	1,115	293	2,475	1,807
Paid Time Off	709	193	3,438	1,397	67	73	696	214	5	121	962	3,042	0	0
Family and Medical Leave Pay	15	9	33	6	2	2	16	6	25	0	1	0	37	30
Other	27	16	35	41	5	5	49	72	23	144	11	20	4	31
Medically Related Payments	5,279	7,792	5,108	5,473	6,717	3,669	3,162	5,171	6,175	6,532	5,733	5,250	8,161	3,745
STD, Sickness or Accident Insurance	63	31	112	100	18	51	32	56	25	15	146	0	199	63
LTD or Wage Continuation	66	217	84	71	8	9	50	77	152	5	115	67	68	67
Medical Insurance Premiums	3,696	5,082	3,789	5,014	4,106	1,511	2,888	4,441	5,340	5,477	4,371	5,031	6,060	2,702
Dental Insurance Premiums	298	427	408	89	370	266	127	141	349	369	442	56	428	161
Vision Care	16	10	38	0	32	4	5	24	0	0	30	0	78	0
Retiree Medical Insurance Premiums	596	693	8	5	1,518	1,446	0	76	0	0	8	0	265	387
Life Insurance and Death	122	97	112	167	144	101	57	159	281	106	169	48	122	67
Prescription Drug Coverage	338	697	508	19	517	268	0	62	27	32	403	48	753	298
Other	3	0	0	1	0	1	1	31	0	33	9	0	0	0
Administration Costs	80	536	51	6	4	11	3	105	2	495	40	0	188	0
Retirement and Savings	3,769	4,657	3,027	1,577	8,246	2,388	1,515	1,723	3,987	1,456	3,335	4,161	4,466	3,683
Defined Benefit Pension Plan	1,410	1,982	360	210	1,179	1,654	0	610	2,214	240	2,310	2,259	1432	2,574
Cash Balance or Other Hybrid Plan	587	0	0	0	4,212	0	0	0	0	0	0	0	0	0
401K and Similar	1,018	1,832	1,178	988	1,188	445	357	612	1,753	1,048	721	1,467	2,801	507
Profit-Sharing	420	484	1,282	103	123	233	218	418	10	30	161	296	153	603
Stock Bonus/ESOP	295	167	162	258	1,521	54	908	0	0	55	0	0	0	0
Other	3	0	0	3	16	0	0	0	0	6	6	0	0	0
Administration Costs	37	192	45	16	7	3	31	82	10	76	137	139	81	0
Miscellaneous Benefits	433	1,911	326	290	118	24	147	231	455	121	320	614	177	899
Severance Pay	198	1,725	120	130	63	16	46	77	205	87	8	0	105	112
Child Care	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Employee Education Expenditures	63	36	161	34	43	7	20	41	16	18	64	160	36	117
Discounts	118	151	44	71	11	0	17	47	47	0	244	425	36	472
Other	54	0	0	55	0	0	64	66	186	15	4	29	0	198

*Other Manufacturing Industries includes Textiles & Apparel and Instruments & Related Products.

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TABLE 4

Employee Benefits as Cents Per Hour, by Manufacturing Industry Group

Type of Benefit	Total, Manufacturing	Chemicals (including pharmaceutical companies)	Computer, Electronic, and Electrical Products/Components	Fabricated Metal Products	Food, Beverage, and Tobacco	Industrial Machinery & Equipment	Instruments and Related Products	Non-metallic products (Rubber, Leather, Plastic, Glass, Clay)	Primary Metal Products (Steel, Smelting & Wire drawing)	Printing & Related Support Activities	Pulp, Paper, Lumber, and Furniture	Textile and Apparel	Transportation Equipment	Other Manufacturing Industries *
Total Number of Companies	191	15	19	30	15	21	14	25	10	13	11	6	6	6
Total Number of Full-Time Equivalent Employees	134,042	9,037	20,006	8,320	18,665	24,019	2,935	3,150	9,387	6,261	3,912	841	4,896	22,613
Total Benefits as Cents Per Hour	952.0¢	1,209.8¢	933.1¢	829.1¢	1,256.0¢	979.9¢	526.5¢	721.7¢	979.9¢	757.7¢	805.1¢	979.3¢	1,017.7¢	769.7¢
Legally Required Payments	224.4	231.2	251.6	269.2	227.7	260.7	179.2	202.3	222.6	205.9	200.8	217.2	206.3	163.0
Federally Required Payroll Taxes	169.6	197.6	209.6	169.0	162.5	203.4	122.1	135.2	175.1	156.3	147.0	182.8	152.6	112.6
Unemployment Compensation	23.2	12.1	22.0	28.9	42.1	21.7	22.0	14.9	19.4	13.2	12.9	9.8	25.4	20.0
Workers' Compensation Insurance	30.6	21.5	19.9	71.2	23.1	35.6	34.2	46.8	28.0	17.7	40.9	24.6	28.2	30.4
Other	1.0	0.0	0.0	0.0	0.1	0.0	0.9	5.4	0.0	18.7	0.0	0.0	0.0	0.0
Payments for Time Not Worked	275.9	288.2	283.0	214.1	306.2	429.8	116.0	187.1	248.8	161.6	185.8	280.3	199.1	207
Payments for Holidays	91.1	102.9	76.1	61.5	83.4	170.2	39.4	49.4	100.5	41.5	58.8	109.4	50.4	68.7
Paid Breaks, Etc.	20.6	22.3	9.3	27.6	3.7	5.7	8.4	52.2	32.6	34.3	24.5	9.3	9.6	48.0
Sick Leave Pay	19.4	23.1	4.8	3.4	25.3	56.6	6.3	10.7	15.8	14.5	8.5	0.3	18.7	0.7
Payments for Vacations	109.2	129.5	26.5	52.4	190.8	193.7	25.3	60.9	97.4	58.6	49.3	14.0	118.4	86.6
Paid Time Off	33.6	9.3	163.2	67.0	2.8	3.2	33.4	10.2	0.2	5.8	44.2	146.3	0.0	0.0
Family and Medical Leave Pay	0.7	0.4	1.5	0.3	0.1	0.1	0.8	0.3	1.2	0.0	0.1	0.0	1.8	1.4
Other	1.3	0.8	1.5	1.9	0.2	0.2	2.3	3.4	1.1	6.9	0.5	1.0	0.2	1.5
Medically Related Payments	251.0	374.6	240.2	257.9	320.8	174.5	151.5	240.7	295.4	314.4	256.9	252.3	390.2	179.5
STD, Sickness or Accident Insurance	3.0	1.5	5.1	4.7	0.8	2.4	1.5	2.6	1.2	0.7	6.6	0.0	9.6	3.0
LTD or Wage Continuation	3.1	10.5	4.0	3.4	0.4	0.4	2.4	3.6	7.3	0.2	5.1	3.2	3.3	3.2
Medical Insurance Premiums	175.4	244.3	178.0	236.3	195.4	71.0	138.4	206.3	255.3	263.6	195.3	241.8	289.4	129.5
Dental Insurance Premiums	14.2	20.5	19.4	4.1	17.8	12.7	6.1	6.7	16.8	17.7	19.7	2.7	20.5	7.7
Vision Care	0.8	0.5	1.8	0.0	1.6	0.2	0.2	1.1	0.0	0.0	1.4	0.0	3.8	0.0
Retiree Medical Insurance Premiums	28.6	33.3	0.3	0.2	73.0	69.5	0.0	3.6	0.0	0.0	0.4	0.0	12.7	18.6
Life Insurance and Death	5.8	4.7	5.2	7.8	6.9	4.8	2.7	7.4	13.4	5.1	7.5	2.3	5.8	3.2
Prescription Drug Coverage	16.2	33.5	24.1	0.9	24.7	12.9	0.0	2.8	1.3	1.6	18.5	2.3	36.2	14.3
Other	0.1	0.0	0.0	0.1	0.0	0.1	0.0	1.5	0.0	1.6	0.4	0.0	0.0	0.0
Administration Costs	3.8	25.8	2.2	0.3	0.2	0.5	0.1	5.0	0.1	23.8	2.0	0.0	8.9	0.0
Retirement and Savings	180.0	223.9	142.7	74.3	396.2	113.9	72.8	80.5	191.3	70.0	147.8	200.0	213.7	177.0
Defined Benefit Pension Plan	67.2	95.3	15.4	9.8	56.7	79.5	0.0	29.0	106.4	11.5	101.3	108.6	68.8	123.7
Cash Balance or Other Hybrid Plan	28.2	0.0	0.0	0.0	202.5	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
401K and Similar	48.6	88.1	55.8	46.8	57.0	21.3	17.1	28.8	83.9	50.4	32.4	70.5	134.4	24.2
Profit-Sharing	20.0	23.3	61.6	4.6	5.9	10.6	10.5	18.8	0.4	1.5	7.7	14.2	6.7	29.0
Stock Bonus/ESOP	14.2	8.0	7.8	12.3	73.1	2.4	43.7	0.0	0.0	2.7	0.0	0.0	0.0	0.0
Other	0.1	0.0	0.0	0.1	0.7	0.0	0.0	0.0	0.0	0.3	0.3	0.0	0.0	0.0
Administration Costs	1.7	9.2	2.1	0.7	0.3	0.1	1.5	3.9	0.5	3.7	6.1	6.7	3.9	0.0
Miscellaneous Benefits	20.7	91.9	15.5	13.6	5.6	1.1	7.1	11.0	21.9	5.8	13.8	29.5	8.5	43.2
Severance Pay	9.5	82.9	5.8	6.1	3.0	0.7	2.2	3.6	9.9	4.2	0.4	0.0	5.0	5.3
Child Care	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Employee Education Expenditures	3.0	1.7	7.6	1.6	2.1	0.3	0.9	2.0	0.8	0.9	2.8	7.7	1.7	5.6
Discounts	5.6	7.3	2.1	3.3	0.5	0.0	0.8	2.2	2.3	0.0	10.4	20.4	1.7	22.7
Other	2.6	0.0	0.0	2.6	0.0	0.0	3.1	3.2	9.0	0.7	0.2	1.4	0.0	9.5

*Other Manufacturing Industries includes Textiles & Apparel and Instruments & Related Products.

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TABLE 5

Employee Benefits as a Percentage of Payroll, by Manufacturing Industry Group

Type of Benefit	Total, Manufacturing	Chemicals (including pharmaceutical companies)	Computer, Electronic, and Electrical Products/Components	Fabricated Metal Products	Food, Beverage, and Tobacco	Industrial Machinery & Equipment	Instruments and Related Products	Non-metallic products (Rubber, Leather, Plastic, Glass, Clay)	Primary Metal Products (Steel, Smelting & Wire drawing)	Printing & Related Support Activities	Pulp, Paper, Lumber, and Furniture	Textile and Apparel	Transportation Equipment	Other Manufacturing Industries *
Total Number of Companies	191	15	19	30	15	21	14	25	10	13	11	6	6	6
Total Number of Full-Time Equivalent Employees	134,042	9,037	20,006	8,320	18,665	24,019	2,935	3,150	9,387	6,261	3,912	841	4,896	22,613
Total Benefits as Percent of Payroll	42.0%	39.3%	36.7%	37.2%	57.8%	31.6%	29.5%	37.9%	41.6%	36.9%	40.6%	36.0%	43.8%	51.4%
Legally Required Payments	9.8	7.8	9.8	12.1	10.4	8.4	10.3	10.4	9.5	10.0	10.5	8.2	8.9	10.9
Federally Required Payroll Taxes	7.3	6.6	8.2	7.4	7.4	6.6	6.9	7.1	7.4	7.7	7.5	6.7	6.6	7.5
Unemployment Compensation	1.1	0.4	0.9	1.3	1.9	0.7	1.4	0.8	0.8	0.6	0.7	0.5	1.1	1.3
Workers' Compensation Insurance	1.4	0.8	0.7	3.4	1.1	1.2	2.0	2.4	1.3	0.9	2.3	1.0	1.1	2.0
Other	0.0	0.0	0.0	0.0	0.0	0.0	0.1	0.2	0.0	0.8	0.0	0.0	0.0	0.0
Payments for Time Not Worked	11.9	9.5	11.1	9.4	14.4	13.7	5.9	10.5	10.5	9.1	9.8	9.2	8.6	13.8
Payments for Holidays	3.8	3.4	3.0	2.8	3.9	5.4	2.0	2.6	4.2	2.3	3.1	3.8	2.2	4.6
Paid Breaks, Etc.	1.2	0.8	0.4	1.5	0.2	0.2	0.5	3.1	1.3	2.1	1.5	0.5	0.4	3.2
Sick Leave Pay	0.7	0.8	0.1	0.2	1.2	1.8	0.2	0.6	0.7	0.7	0.3	0.0	0.8	0.0
Payments for Vacations	4.6	4.1	0.7	2.7	8.9	6.1	1.1	3.3	4.1	3.4	1.9	0.7	5.1	5.8
Paid Time Off	1.4	0.3	6.8	2.2	0.2	0.2	1.9	0.6	0.0	0.2	2.9	4.2	0.0	0.0
Family and Medical Leave Pay	0.0	0.0	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.1	0.0	0.0	0.1	0.1
Other	0.1	0.0	0.1	0.1	0.0	0.0	0.1	0.2	0.0	0.3	0.0	0.0	0.0	0.1
Medically Related Payments	11.2	12.1	9.5	11.8	14.9	5.8	8.8	12.9	12.7	14.6	13.0	9.8	16.9	12.0
STD, Sickness or Accident Insurance	0.1	0.1	0.2	0.2	0.0	0.1	0.1	0.1	0.1	0.1	0.4	0.0	0.4	0.2
LTD or Wage Continuation	0.1	0.3	0.2	0.1	0.0	0.0	0.1	0.2	0.3	0.0	0.3	0.1	0.1	0.2
Medical Insurance Premiums	8.0	8.1	7.1	10.8	9.0	2.5	8.2	11.1	11.0	12.2	9.5	9.4	12.9	8.6
Dental Insurance Premiums	0.6	0.6	0.7	0.2	0.8	0.4	0.2	0.3	0.7	0.7	1.0	0.1	0.9	0.5
Vision Care	0.0	0.0	0.1	0.0	0.1	0.0	0.0	0.1	0.0	0.0	0.1	0.0	0.2	0.0
Retiree Medical Insurance Premiums	1.2	1.0	0.0	0.0	3.3	2.2	0.0	0.1	0.0	0.0	0.0	0.0	0.4	1.3
Life Insurance and Death	0.3	0.2	0.2	0.4	0.3	0.3	0.1	0.4	0.6	0.2	0.4	0.1	0.3	0.2
Prescription Drug Coverage	0.7	1.0	1.0	0.0	1.2	0.4	0.0	0.2	0.1	0.2	1.2	0.1	1.3	1.0
Other	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.1	0.0	0.1	0.0	0.0	0.0	0.0
Administration Costs	0.1	0.8	0.1	0.0	0.0	0.0	0.0	0.3	0.0	1.1	0.1	0.0	0.3	0.0
Retirement and Savings	8.2	7.2	5.8	3.2	18.0	3.7	4.1	3.6	7.9	3.0	6.8	7.6	9.0	11.9
Defined Benefit Pension Plan	3.0	3.0	0.6	0.5	1.7	2.5	0.0	1.1	4.3	0.5	4.7	4.4	2.4	8.4
Cash Balance or Other Hybrid Plan	1.4	0.0	0.0	0.0	9.9	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
401K and Similar	2.1	2.9	2.1	2.1	2.5	0.7	0.8	1.4	3.5	2.1	1.4	2.2	6.0	1.6
Profit-Sharing	0.9	0.7	2.6	0.2	0.2	0.4	0.4	1.0	0.0	0.1	0.3	0.7	0.4	2.0
Stock Bonus/ESOP	0.7	0.3	0.3	0.3	3.6	0.1	2.8	0.0	0.0	0.1	0.0	0.0	0.0	0.0
Other	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Administration Costs	0.1	0.3	0.1	0.0	0.0	0.0	0.1	0.2	0.0	0.2	0.3	0.3	0.1	0.0
Miscellaneous Benefits	1.0	2.7	0.5	0.6	0.2	0.0	0.3	0.5	1.0	0.2	0.5	1.2	0.3	2.9
Severance Pay	0.3	2.4	0.2	0.3	0.1	0.0	0.1	0.2	0.4	0.1	0.0	0.0	0.2	0.3
Child Care	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Employee Education Expenditures	0.1	0.0	0.3	0.1	0.1	0.0	0.0	0.1	0.0	0.0	0.1	0.3	0.1	0.4
Discounts	0.3	0.3	0.1	0.2	0.0	0.0	0.0	0.1	0.1	0.0	0.4	0.8	0.1	1.5
Other	0.2	0.0	0.0	0.1	0.0	0.0	0.1	0.2	0.4	0.0	0.0	0.1	0.0	0.6

*Other Manufacturing Industries includes Textiles & Apparel and Instruments & Related Products.

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TABLE 6

Employee Benefits as Annual Dollars Per Employee, by Non-Manufacturing Industry Group

Type of Benefit	Total, Non-Manufacturing	Construction	Educational Services	Finance and Insurance	Health Care & Social Assistance	Hospitality (lodging, restaurants, recreation & entertainment)	Information (data processing, information services & publishing)	Professional, Scientific, and Technical Services (consulting, legal, accounting, & network services)
Total Number of Companies	531	58	9	104	44	8	10	39
Total Number of Full-Time Equivalent Employees	518,907	11,314	9,539	144,681	61,863	1,930	15,536	27,716
Total Benefits as Annual Dollars Per Employee	$20,203	$17,062	$10,130	$23,668	$18,501	$7,325	$28,596	$19,769
Legally Required Payments	4,411	4,735	2,113	4,836	4,100	2,874	6,770	5,020
Federally Required Payroll Taxes	3,561	3,404	1,880	4,287	3,191	1,886	6,666	4,402
Unemployment Compensation	272	316	11	298	131	309	64	327
Workers' Compensation Insurance	552	898	25	242	693	655	41	216
Other	26	119	198	9	84	24	0	75
Payments for Time Not Worked	5,206	3,839	1,860	6,081	4,785	1,867	7,657	5,956
Payments for Holidays	1,495	1,308	1,183	1,971	619	252	2,944	1,804
Paid Breaks, Etc.	334	277	22	286	551	296	94	9
Sick Leave Pay	598	387	184	642	299	116	86	738
Payments for Vacations	1,649	1,350	386	2,113	740	386	4,333	1,936
Paid Time Off	1,012	479	78	898	2,415	814	146	1,396
Family and Medical Leave Pay	36	13	4	68	21	0	10	21
Other	81	25	3	102	139	3	44	51
Medically Related Payments	5,920	4,907	4,563	5,975	4,847	2,099	8,590	5,101
STD, Sickness or Accident Insurance	137	89	19	184	29	18	570	65
LTD or Wage Continuation	156	61	48	207	144	10	376	60
Medical Insurance Premiums	4,594	3,478	4,232	4,423	4,135	1,985	5,580	4,185
Dental Insurance Premiums	254	128	68	260	112	50	655	265
Vision Care	12	2	4	11	5	12	4	8
Retiree Medical Insurance Premiums	274	520	0	444	8	0	120	2
Life Insurance and Death	159	187	51	246	49	17	453	86
Prescription Drug Coverage	246	293	0	100	248	0	830	405
Other	13	13	0	16	1	6	1	1
Administration Costs	76	135	141	84	116	1	1	23
Retirement and Savings	4,261	3,407	1,236	5,871	4,577	394	4,798	3,506
Defined Benefit Pension Plan	1,985	1,991	937	2,953	779	0	285	421
Cash Balance or Other Hybrid Plan	196	0	72	511	0	0	0	768
401K and Similar	1,241	922	215	1,141	3,638	257	2,539	1,670
Profit-Sharing	400	72	13	839	142	131	1,788	519
Stock Bonus/ESOP	280	333	0	183	0	0	0	96
Other	101	56	0	172	0	0	64	3
Administration Costs	55	32	1	72	18	6	122	29
Miscellaneous Benefits	401	175	358	906	191	91	781	188
Severance Pay	203	85	40	497	45	0	559	86
Child Care	2	0	0	4	2	0	2	1
Employee Education Expenditures	64	18	215	107	109	26	108	19
Discounts	88	58	104	174	14	32	98	54
Other	47	14	0	123	21	33	14	28

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Public Utilities	Rental, Leasing and Real Estate	Retail Trade	Support and Management Services (management companies & administrative support)	Trade Associations, Business Federations & Chambers of Commerce	Transportation, Distribution & Warehousing	Wholesale Trade	Other Non-Manufacturing Industry	Type of Benefit
29	9	42	10	80	27	42	20	Total Number of Companies
22,402	19,583	34,226	1,206	5,684	47,873	32,901	82,453	Total Number of Full-Time Equivalent Employees
$31,054	$16,560	$9,655	$14,169	$22,448	$20,156	$15,656	$19,935	Total Benefits as Annual Dollars Per Employee
5,190	4,050	4,534	3,604	14,847	5,047	3,952	3,124	Legally Required Payments
4,153	2,234	2,218	3,168	4,173	3,590	3,252	2,734	Federally Required Payroll Taxes
104	391	583	315	314	617	227	79	Unemployment Compensation
923	1,425	1,732	121	278	828	469	310	Workers' Compensation Insurance
10	0	2	0	82	13	4	0	Other
7,904	2,839	1,814	2,109	7,273	5,295	3,514	5,690	Payments for Time Not Worked
2,156	703	575	658	2,339	1,321	945	1,698	Payments for Holidays
513	728	31	231	190	49	452	570	Paid Breaks, Etc.
881	349	144	195	769	419	345	1,251	Sick Leave Pay
2,617	846	918	460	2,071	1,045	1,425	1,789	Payments for Vacations
1,411	107	74	560	1,774	2,394	216	347	Paid Time Off
89	77	5	0	58	4	25	21	Family and Medical Leave Pay
236	28	66	5	71	62	106	15	Other
8,830	3,302	2,760	4,394	5,875	6,883	5,076	7,734	Medically Related Payments
58	33	62	20	165	446	102	13	STD, Sickness or Accident Insurance
382	21	19	71	170	218	117	102	LTD or Wage Continuation
5,497	2,669	2,057	3,978	4,262	4,847	3,619	6,987	Medical Insurance Premiums
478	91	141	13	357	409	233	251	Dental Insurance Premiums
3	4	7	2	9	43	16	9	Vision Care
1,542	0	2	155	208	0	292	292	Retiree Medical Insurance Premiums
353	92	39	155	203	159	272	36	Life Insurance and Death
136	313	358	0	145	759	297	26	Prescription Drug Coverage
134	1	0	0	2	1	1	9	Other
246	78	74	0	354	1	126	8	Administration Costs
8,680	6,139	461	3,790	3,790	2,751	2,871	3,322	Retirement and Savings
5,902	3	5	60	848	1,940	946	2,980	Defined Benefit Pension Plan
124	0	0	2,563	7	0	0	0	Cash Balance or Other Hybrid Plan
2,088	197	276	1,009	2,483	611	864	288	401K and Similar
93	771	35	0	138	19	387	17	Profit-Sharing
17	5,148	106	0	88	12	199	0	Stock Bonus/ESOP
138	0	7	0	150	155	432	3	Other
317	20	33	158	73	14	43	35	Administration Costs
1,449	231	86	271	664	179	244	66	Miscellaneous Benefits
150	205	4	269	453	47	122	16	Severance Pay
0	0	0	0	2	5	0	0	Child Care
97	13	2	2	91	17	54	9	Employee Education Expenditures
65	13	77	0	74	110	54	35	Discounts
136	0	1	0	43	0	14	5	Other

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TABLE 7

Employee Benefits as Cents Per Hour, by Non-Manufacturing Industry Group

Type of Benefit	Total, Non-Manufacturing	Construction	Educational Services	Finance and Insurance	Health Care & Social Assistance	Hospitality (lodging, restaurants, recreation & entertainment)	Information (data processing, information services & publishing)	Professional, Scientific, and Technical Services (consulting, legal, accounting, & network services)
Total Number of Companies	531	58	9	104	44	8	10	39
Total Number of Full-Time Equivalent Employees	518,908	11,314	9,539	144,681	61,863	1,930	15,536	27,716
Total Benefits as Annual Cents Per Hour	969.0¢	815.7¢	494.0¢	1,158.0¢	915.5¢	360.6¢	1,138.1¢	953.1¢
Legally Required Payments	209.6	223.0	104.0	236.5	201.5	143.4	252.0	241.5
Federally Required Payroll Taxes	168.4	162.4	91.5	209.7	156.8	94.6	221.7	211.8
Unemployment Compensation	13.3	14.4	0.5	14.5	6.4	15.5	18.5	15.7
Workers' Compensation Insurance	26.6	41.1	1.3	11.8	34.2	32.1	11.8	10.4
Other	1.3	5.3	10.9	0.4	4.1	1.2	0.0	3.6
Payments for Time Not Worked	249.2	184.0	91.3	296.7	234.5	91.1	325.8	287.2
Payments for Holidays	70.5	63.1	57.8	96.6	29.9	12.5	78.8	86.9
Paid Breaks, Etc.	16.6	13.1	1.0	13.8	27.5	14.2	27.1	0.5
Sick Leave Pay	29.6	18.8	9.2	31.2	14.5	5.6	25.4	35.6
Payments for Vacations	76.3	65.2	19.2	103.4	35.8	19.4	139.1	93.4
Paid Time Off	50.4	22.0	3.8	43.3	119.2	39.1	40.0	67.2
Family and Medical Leave Pay	1.8	0.7	0.2	3.4	1.0	0.0	2.9	1.1
Other	4.0	1.2	0.1	5.0	6.7	0.2	12.6	2.5
Medically Related Payments	283.1	235.4	220.4	292.4	237.8	102.7	315.1	245.9
STD, Sickness or Accident Insurance	6.0	4.2	0.9	9.0	1.4	0.9	6.3	3.1
LTD or Wage Continuation	7.2	2.9	2.3	10.1	6.9	0.5	8.3	2.9
Medical Insurance Premiums	221.1	166.5	204.5	216.2	203.2	97.2	223.8	201.9
Dental Insurance Premiums	11.7	6.2	3.3	12.8	5.4	2.4	17.4	12.7
Vision Care	0.6	0.1	0.2	0.5	0.3	0.6	1.2	0.4
Retiree Medical Insurance Premiums	13.8	25.2	0.0	21.9	0.4	0.0	35.3	0.1
Life Insurance and Death	7.3	9.0	2.5	12.0	2.2	0.8	17.6	4.1
Prescription Drug Coverage	10.9	14.2	0.0	4.8	12.1	0.0	4.5	19.5
Other	0.6	0.5	0.0	0.8	0.1	0.3	0.4	0.1
Administration Costs	3.8	6.6	6.8	4.1	5.9	0.0	0.3	1.1
Retirement and Savings	207.6	164.9	60.2	287.6	232.3	19.1	201.4	169.5
Defined Benefit Pension Plan	99.0	96.7	45.3	145.8	37.7	0.0	80.1	20.9
Cash Balance or Other Hybrid Plan	9.7	0.0	3.9	24.6	0.0	0.0	0.0	36.9
401K and Similar	60.2	44.2	10.3	55.9	187.2	12.5	80.9	80.6
Profit-Sharing	17.1	3.4	0.6	40.4	6.6	6.3	9.6	25.0
Stock Bonus/ESOP	13.8	16.2	0.0	8.8	0.0	0.0	0.0	4.6
Other	5.1	2.9	0.0	8.5	0.0	0.0	18.7	0.2
Administration Costs	2.7	1.5	0.0	3.6	0.9	0.3	12.1	1.4
Miscellaneous Benefits	19.4	8.4	17.9	44.9	9.4	4.4	43.7	9.2
Severance Pay	9.6	4.0	1.9	24.7	2.2	0.0	29.0	4.2
Child Care	0.1	0.0	0.0	0.2	0.1	0.0	0.0	0.0
Employee Education Expenditures	3.1	0.9	11.0	5.3	5.4	1.2	3.7	0.9
Discounts	4.3	2.8	5.0	8.7	0.6	1.5	6.6	2.6
Other	2.4	0.7	0.0	6.0	1.1	1.6	4.3	1.4

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Public Utilities	Rental, Leasing and Real Estate	Retail Trade	Support and Management Services (management companies & administrative support)	Trade Associations, Business Federations & Chambers of Commerce	Transportation, Distribution & Warehousing	Wholesale Trade	Other Non-Manufacturing Industry	Type of Benefit
29	9	42	10	80	27	42	20	Total Number of Companies
22,402	19,583	34,226	1,206	5,684	47,873	32,902	82,453	Total Number of Full-Time Equivalent Employees
1,525.2¢	796.3¢	435.9¢	687.1¢	1,123.1¢	967.2¢	754.0¢	958.9¢	Total Benefits as Annual Cents Per Hour
256.0	194.8	200.9	174.4	240.9	242.0	190.3	150.2	Legally Required Payments
205.4	107.4	102.5	153.2	206.9	172.2	156.7	131.5	Federally Required Payroll Taxes
5.0	18.8	25.6	15.3	15.5	29.6	11.0	3.8	Unemployment Compensation
44.9	68.5	72.7	5.9	14.0	39.6	22.5	14.9	Workers' Compensation Insurance
0.6	0.0	0.1	0.0	4.5	0.6	0.2	0.0	Other
389.9	136.5	83.2	102.6	362.0	254.1	169.1	273.8	Payments for Time Not Worked
106.3	33.8	26.7	32.1	116.1	63.4	45.5	81.7	Payments for Holidays
24.6	35.0	1.4	11.3	9.5	2.4	21.7	27.4	Paid Breaks, Etc.
43.9	16.8	6.5	9.4	38.1	20.1	16.6	60.2	Sick Leave Pay
131.1	40.7	41.4	22.6	102.5	50.1	68.5	86.1	Payments for Vacations
67.9	5.1	4.3	26.9	89.2	115.1	10.5	16.7	Paid Time Off
4.3	3.7	0.3	0.0	3.0	0.2	1.2	1.0	Family and Medical Leave Pay
11.9	1.4	2.7	0.2	3.5	2.8	5.1	0.7	Other
433.6	158.9	127.3	214.4	295.6	330.3	244.7	372.0	Medically Related Payments
2.8	1.6	3.0	1.0	8.4	21.5	4.9	0.6	STD, Sickness or Accident Insurance
19.2	1.0	0.8	3.4	8.4	10.5	5.6	4.9	LTD or Wage Continuation
268.6	128.4	95.1	194.4	212.9	232.5	174.5	336.0	Medical Insurance Premiums
24.1	4.4	6.3	0.6	17.7	19.6	11.3	12.1	Dental Insurance Premiums
0.2	0.2	0.3	0.1	0.5	2.1	0.8	0.4	Vision Care
76.8	0.0	0.1	7.4	10.6	0.0	14.1	14.1	Retiree Medical Insurance Premiums
17.1	4.4	1.8	7.5	10.3	7.6	13.1	1.7	Life Insurance and Death
6.1	15.1	16.3	0.0	7.4	36.5	14.3	1.3	Prescription Drug Coverage
6.6	0.0	0.0	0.0	0.1	0.0	0.1	0.5	Other
12.1	3.8	3.6	0.0	19.3	0.0	6.0	0.4	Administration Costs
423.4	295.2	20.7	182.5	192.4	132.0	138.1	159.9	Retirement and Savings
282.2	0.1	0.2	3.1	44.7	93.2	45.5	143.4	Defined Benefit Pension Plan
6.0	0.0	0.0	123.2	0.3	0.0	0.0	0.0	Cash Balance or Other Hybrid Plan
108.0	9.5	12.4	48.5	125.1	29.3	41.7	13.9	401K and Similar
4.5	37.1	1.6	0.0	6.4	0.9	18.6	0.8	Profit-Sharing
0.8	247.5	4.7	0.0	4.2	0.5	9.6	0.0	Stock Bonus/ESOP
6.6	0.0	0.3	0.0	7.7	7.5	20.8	0.1	Other
15.3	1.0	1.4	7.6	4.0	0.7	2.0	1.7	Administration Costs
22.3	11.1	3.9	13.1	32.4	8.6	11.7	3.1	Miscellaneous Benefits
7.4	9.9	0.3	13.0	22.0	2.2	5.9	0.8	Severance Pay
0.0	0.0	0.0	0.0	0.1	0.3	0.0	0.0	Child Care
5.0	0.6	0.1	0.1	4.6	0.8	2.6	0.4	Employee Education Expenditures
3.3	0.6	3.5	0.0	3.6	5.3	2.6	1.7	Discounts
6.5	0.0	0.1	0.0	2.1	0.0	0.7	0.2	Other

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TABLE 8

Employee Benefits as a Percentage of Payroll, by Non-Manufacturing Industry Group

Type of Benefit	Total Non-Manufacturing	Construction	Educational Services	Finance and Insurance	Health Care & Social Assistance	Hospitality (lodging, restaurants, recreation & entertainment)	Information (data processing, information services & publishing)	Professional, Scientific, and Technical Services (consulting, legal, accounting, & network services)
Total Number of Companies	531	58	9	104	44	8	10	39
Total Number of Full-Time Equivalent Employees	518,907	11,314	9,539	144,681	61,863	1,930	15,536	27,716
Total Benefits as Percent of Payroll	39.8%	34.7%	39.1%	36.4%	39.2%	27.6%	32.6%	32.3%
Legally Required Payments	8.9	10.2	7.7	7.4	9.3	11.9	7.7	8.0
Federally Required Payroll Taxes	6.9	7.1	7.1	6.5	7.1	8.0	7.5	7.2
Unemployment Compensation	0.6	0.8	0.0	0.5	0.3	1.4	0.1	0.5
Workers' Compensation Insurance	1.3	1.9	0.1	0.4	1.7	2.5	0.1	0.3
Other	0.1	0.3	0.5	0.0	0.2	0.1	0.0	0.0
Payments for Time Not Worked	10.2	7.7	6.3	9.3	10.4	6.4	8.7	9.8
Payments for Holidays	2.8	2.6	4.4	2.7	1.2	1.0	3.3	2.9
Paid Breaks, Etc.	0.7	0.6	0.1	0.5	1.1	1.0	0.1	0.0
Sick Leave Pay	1.3	0.8	0.5	1.0	0.6	0.3	0.1	1.4
Payments for Vacations	3.3	2.5	1.1	3.5	1.5	1.5	4.8	3.6
Paid Time Off	1.8	1.2	0.3	1.4	5.6	2.7	0.3	1.8
Family and Medical Leave Pay	0.1	0.0	0.0	0.1	0.1	0.0	0.0	0.0
Other	0.2	0.1	0.0	0.2	0.4	0.0	0.1	0.1
Medically Related Payments	12.1	10.1	20.1	9.5	10.3	7.5	9.7	8.6
STD, Sickness or Accident Insurance	0.2	0.2	0.1	0.3	0.1	0.1	0.6	0.1
LTD or Wage Continuation	0.3	0.1	0.2	0.3	0.2	0.0	0.4	0.1
Medical Insurance Premiums	9.7	7.4	18.8	7.1	9.0	7.1	6.4	7.0
Dental Insurance Premiums	0.5	0.2	0.3	0.4	0.2	0.2	0.7	0.5
Vision Care	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Retiree Medical Insurance Premiums	0.5	1.1	0.0	0.7	0.0	0.0	0.2	0.0
Life Insurance and Death	0.3	0.3	0.2	0.4	0.1	0.1	0.5	0.1
Prescription Drug Coverage	0.5	0.4	0.0	0.2	0.5	0.0	0.9	0.8
Other	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Administration Costs	0.2	0.3	0.6	0.1	0.2	0.0	0.0	0.0
Retirement and Savings	8.0	6.3	3.7	9.0	8.7	1.4	5.6	5.6
Defined Benefit Pension Plan	3.7	3.6	2.9	4.5	1.5	0.0	0.5	0.5
Cash Balance or Other Hybrid Plan	0.3	0.0	0.2	0.8	0.0	0.0	0.0	1.5
401K and Similar	2.2	1.8	0.5	1.8	7.0	1.0	2.8	2.5
Profit-Sharing	0.7	0.2	0.0	1.3	0.2	0.4	1.9	1.0
Stock Bonus/ESOP	0.8	0.5	0.0	0.3	0.0	0.0	0.0	0.1
Other	0.1	0.1	0.0	0.2	0.0	0.0	0.1	0.0
Administration Costs	0.1	0.1	0.0	0.1	0.0	0.0	0.2	0.0
Miscellaneous Benefits	0.6	0.4	1.3	1.2	0.4	0.3	0.9	0.2
Severance Pay	0.3	0.2	0.2	0.6	0.1	0.0	0.6	0.1
Child Care	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Employee Education Expenditures	0.1	0.0	0.5	0.2	0.3	0.1	0.1	0.0
Discounts	0.1	0.2	0.5	0.2	0.0	0.1	0.1	0.1
Other	0.1	0.0	0.0	0.2	0.0	0.1	0.0	0.0

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Public Utilities	Rental, Leasing and Real Estate	Retail Trade	Support and Management Services (management companies & administrative support)	Trade Associations, Business Federations & Chambers of Commerce	Transportation, Distribution & Warehousing	Wholesale Trade	Other Non-Manufacturing Industry	Type of Benefit
29	9	42	10	80	27	49	20	Total Number of Companies
22,402	19,583	34,226	1,206	5,684	47,873	32,902	82,543	Total Number of Full-Time Equivalent Employees
51.9%	52.1%	25.0%	32.5%	35.2%	37.2%	36.1%	54.8%	Total Benefits as Percent of Payroll
8.9	12.7	12.0	8.3	7.6	10.5	9.6	8.5	Legally Required Payments
7.0	6.8	5.6	7.3	6.6	7.1	8.0	7.4	Federally Required Payroll Taxes
0.2	1.2	1.6	0.8	0.5	1.5	0.5	0.2	Unemployment Compensation
1.7	4.7	4.8	0.2	0.4	1.9	1.1	0.9	Workers' Compensation Insurance
0.0	0.0	0.0	0.0	0.1	0.0	0.0	0.0	Other
13.4	8.4	4.6	3.7	11.4	10.3	7.8	15.6	Payments for Time Not Worked
3.7	2.0	1.4	1.2	3.7	2.6	2.0	4.7	Payments for Holidays
0.9	2.4	0.1	0.4	0.3	0.2	1.0	1.4	Paid Breaks, Etc.
1.4	1.0	0.4	0.3	1.2	1.1	0.8	3.6	Sick Leave Pay
4.2	2.4	2.4	0.9	3.3	2.9	3.3	5.1	Payments for Vacations
2.6	0.3	0.1	0.8	2.7	3.5	0.5	0.6	Paid Time Off
0.2	0.3	0.0	0.0	0.1	0.0	0.1	0.0	Family and Medical Leave Pay
0.4	0.1	0.2	0.0	0.1	0.1	0.2	0.0	Other
15.1	10.1	7.0	10.0	9.3	11.8	11.7	21.6	Medically Related Payments
0.1	0.1	0.2	0.0	0.3	0.9	0.2	0.0	STD, Sickness or Accident Insurance
0.7	0.0	0.1	0.2	0.3	0.3	0.3	0.3	LTD or Wage Continuation
9.5	8.1	5.2	9.0	6.8	8.2	8.4	19.8	Medical Insurance Premiums
0.8	0.3	0.4	0.0	0.6	0.7	0.6	0.6	Dental Insurance Premiums
0.0	0.0	0.0	0.0	0.0	0.1	0.0	0.0	Vision Care
2.6	0.0	0.0	0.4	0.3	0.0	0.6	0.7	Retiree Medical Insurance Premiums
0.6	0.3	0.1	0.4	0.3	0.3	0.6	0.1	Life Insurance and Death
0.2	1.1	0.9	0.0	0.2	1.3	0.6	0.0	Prescription Drug Coverage
0.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0	Other
0.4	0.3	0.2	0.0	0.5	0.0	0.4	0.0	Administration Costs
13.7	20.6	1.2	9.7	5.8	4.3	6.4	9.0	Retirement and Savings
8.9	0.0	0.0	0.1	1.3	2.8	1.9	8.2	Defined Benefit Pension Plan
0.3	0.0	0.0	6.7	0.0	0.0	0.0	0.0	Cash Balance or Other Hybrid Plan
3.6	0.4	0.7	2.4	3.8	1.2	2.1	0.7	401K and Similar
0.2	2.6	0.1	0.0	0.2	0.0	0.9	0.0	Profit-Sharing
0.0	17.5	0.3	0.0	0.2	0.0	0.7	0.0	Stock Bonus/ESOP
0.2	0.0	0.0	0.0	0.2	0.3	0.6	0.0	Other
0.5	0.1	0.1	0.4	0.1	0.0	0.1	0.1	Administration Costs
0.8	0.4	0.2	0.7	1.0	0.3	0.5	0.1	Miscellaneous Benefits
0.3	0.4	0.0	0.7	0.7	0.1	0.2	0.0	Severance Pay
0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	Child Care
0.2	0.0	0.0	0.0	0.1	0.0	0.1	0.0	Employee Education Expenditures
0.1	0.0	0.2	0.0	0.1	0.2	0.2	0.1	Discounts
0.3	0.0	0.0	0.0	0.1	0.0	0.0	0.0	Other

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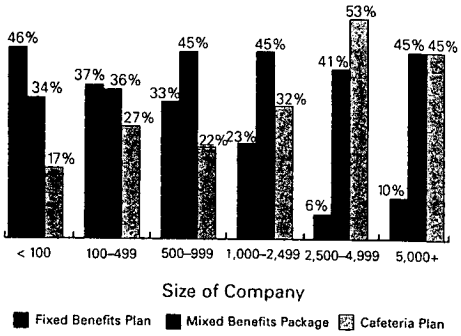
Size of Company Variations

Introduction to Company Size

Overall Benefits

A fixed benefits package, offered by 38% of all companies, is most popular with smaller companies. It is provided by over half of the smallest companies surveyed, about a quarter of the mid-sized companies, and less than 10% of the largest companies. The larger the company, the more likely it is to provide employees with additional choices through a mixed benefits package or cafeteria plan; 90% of the largest companies surveyed give employees the freedom to select benefits. Mixed benefits packages surpass cafeteria plans in popularity in all company size categories except for the 2,500-4,999 category, where the cafeteria plan is offered by 12% more companies, and in the 5,000+ category, where both are offered equally.

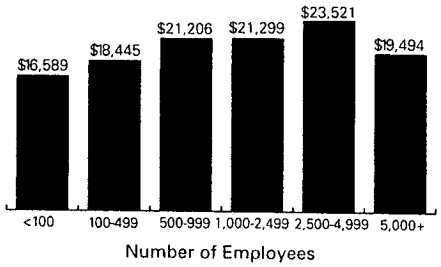
Type of Benefits Plan Offered



Value of Benefits

Employees at participating companies received average annual benefits worth $20,158. Consistent with past years' studies, employees at mid-sized companies tend to receive more benefits in dollar terms than those at the largest companies surveyed, and considerably more than those at the smallest companies.

Value of Employee Benefits



Benefits Offered to Full-Time & Part-Time Workers

In general, larger companies offer more benefits to a greater percentage of their employees. While there is a slight difference in benefits offered to full-time employees, there tends to be a significant difference with part-time employees. For example, less than a quarter of the smallest survey participants offer part-time employees retirement plans, paid vacation, or health insurance, compared to about two-thirds of the largest companies.

	Number of Employees											
	Under 100		100-499		500-999		1,000-2,499		2,500-4,999		5,000+	
	FT	PT	FT	PT	FT	PT	FT	PT	FT	PT	FT	PT
Paid vacation	97%	25%	99%	38%	98%	58%	100%	62%	100%	60%	97%	75%
Paid holidays	97%	25%	99%	39%	98%	58%	96%	60%	100%	55%	100%	37%
Health insurance	94%	11%	99%	21%	98%	44%	100%	59%	100%	45%	100%	59%
Retirement plan(s)	84%	18%	95%	40%	97%	68%	93%	68%	100%	60%	91%	69%
Life insurance	79%	7%	96%	17%	98%	37%	100%	43%	100%	45%	100%	53%
Dental	65%	9%	94%	22%	95%	44%	100%	53%	100%	45%	100%	56%
Paid sick leave	72%	15%	78%	25%	90%	36%	94%	45%	90%	40%	88%	50%
Long-term disability	52%	5%	84%	15%	97%	29%	96%	30%	100%	25%	100%	34%
Short-term disability	51%	6%	76%	14%	76%	29%	74%	25%	95%	35%	94%	31%
Vision	35%	6%	52%	12%	68%	36%	74%	40%	75%	35%	69%	44%

Flexible Work Schedules & Spending Accounts

All benefits categorized as 'flexible' (i.e., Flexible Spending Accounts for transportation and for child care, and flexible/compressed work schedules) are more common in the larger participating firms than the smaller companies. Also, Flexible Spending Accounts for childcare are the most popular flex accounts and have become more widely accepted among companies with more than 100 employees in the past several years.

Flexible Spending Account Trends

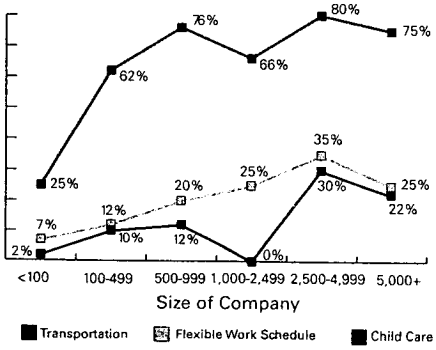


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TABLE 9

Employee Benefits as Annual Dollars Per Employee, by Company Size

Type of Benefit	Total, All Companies	Under 100 Employees	100–499 Employees	500–999 Employees	1,000–2,499 Employees	2,500–4,999 Employees	5,000+ Employees
Total Number of Companies	722	366	192	60	53	20	31
Total Number of Full-Time Equivalent Employees	652,949	12,545	42,901	42,982	85,241	71,344	397,937
Total Benefits as Annual Dollars	$20,153	$16,589	$18,445	$21,206	$21,293	$23,521	$19,194
Legally Required Payments	4,474	4,900	4,950	4,821	4,699	4,631	4,296
Federally Required Payroll Taxes	3,562	3,372	3,593	3,640	3,939	3,800	3,482
Unemployment Compensation	316	488	462	417	299	217	306
Workers' Compensation Insurance	571	940	770	637	461	563	556
Other	25	101	125	127	0	51	1
Payments for Time Not Worked	5,624	4,423	4,871	5,215	5,596	5,557	5,313
Payments for Holidays	1,580	1,330	1,417	1,602	1,532	1,473	1,632
Paid Breaks, Etc.	355	466	495	322	361	481	316
Sick Leave Pay	555	366	374	471	515	608	594
Payments for Vacations	1,779	1,476	1,446	1,721	1,622	2,073	1,812
Paid Time Off	950	716	1,019	932	1,130	799	876
Family and Medical Leave Pay	32	29	34	44	50	23	28
Other	70	40	86	122	87	100	55
Medically Related Benefit Payments	5,785	4,755	4,998	5,885	6,252	6,905	5,597
STD, Sickness or Accident Insurance	122	57	65	91	93	131	138
LTD or Wage Continuation	137	98	125	141	171	237	114
Medical Insurance Premiums	4,410	4,172	4,102	4,562	4,500	4,883	4,330
Dental Insurance Premiums	263	177	209	273	331	302	249
Vision Care	12	10	10	17	13	22	10
Retiree Medical Insurance Premiums	340	18	86	347	535	656	279
Life Insurance and Death	152	135	152	186	150	216	137
Prescription Drug Coverage	265	22	133	175	264	232	303
Other	11	53	20	11	36	6	4
Administration Costs	77	13	97	83	159	221	32
Retirement and Savings	4,101	2,324	3,249	4,272	4,186	5,840	3,999
Defined Benefit Pension Plan	1,867	488	1,030	2,161	2,843	3,540	1,567
Cash Balance or Other Hybrid Plan	276	36	33	128	0	388	365
401K and Similar	1,198	840	1,250	1,096	1,210	1,560	1,147
Profit-Sharing	404	545	462	431	275	137	466
Stock Bonus/ESOP	283	185	292	124	58	129	379
Other	81	151	102	134	190	38	55
Administration Costs	52	78	81	198	111	49	20
Miscellaneous Benefits	410	187	377	1,013	566	587	290
Severance Pay	202	65	157	800	390	207	105
Child Care	2	3	1	0	2	2	2
Employee Education Expenditures	64	32	99	69	56	91	57
Discounts	94	29	59	71	98	214	80
Other	49	57	61	72	22	73	46

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TABLE 10

Employee Benefits as Cents Per Hour, by Company Size

Type of Benefit	Total, All Companies	Under 100 Employees	100–499 Employees	500–999 Employees	1,000–2,499 Employees	2,500–4,999 Employees	5,000+ Employees
Total Number of Companies	722	366	192	60	53	20	31
Total Number of Full-Time Equivalent Employees	652,949	12,545	42,901	42,982	85,241	71,344	397,937
Total Benefits as Cents Per Hour	965.4¢	785.3¢	888.9¢	1,016.0¢	1,023.6¢	1,152.5¢	926.6¢
Legally Required Payments	212.7	230.4	236.9	231.1	225.5	226.4	202.0
Federally Required Payroll Taxes	168.7	159.0	172.6	174.5	189.2	186.1	160.1
Unemployment Compensation	15.4	23.0	22.0	20.0	14.2	10.5	15.0
Workers' Compensation Insurance	27.4	43.4	35.9	30.6	22.0	27.3	26.8
Other	1.3	5.1	6.4	6.0	0.0	2.5	0.1
Payments for Time Not Worked	254.8	210.6	235.3	249.0	269.1	273.2	252.5
Payments for Holidays	74.8	63.5	68.6	76.7	73.6	72.5	76.3
Paid Breaks, Etc.	17.5	22.1	23.7	15.3	17.4	23.1	15.8
Sick Leave Pay	27.5	17.7	18.3	22.4	24.9	30.0	29.5
Payments for Vacations	83.2	70.3	70.0	82.1	78.2	103.0	82.6
Paid Time Off	46.9	33.7	49.0	44.5	68.5	38.4	44.1
Family and Medical Leave Pay	1.6	1.4	1.7	2.2	2.4	1.1	1.5
Other	3.4	1.9	4.0	5.7	4.2	5.1	2.7
Medically Related Benefit Payments	276.4	225.0	240.3	280.5	300.4	338.2	264.9
STD, Sickness or Accident Insurance	5.4	2.7	3.2	4.4	4.4	6.4	5.8
LTD or Wage Continuation	6.4	4.7	6.1	6.5	8.2	11.8	5.1
Medical Insurance Premiums	211.5	197.3	196.6	217.1	216.2	238.3	207.0
Dental Insurance Premiums	12.3	8.4	10.1	12.9	15.9	15.0	11.2
Vision Care	0.6	0.5	0.5	0.8	0.6	1.1	0.5
Retiree Medical Insurance Premiums	16.9	0.9	4.3	17.3	25.9	32.6	13.9
Life Insurance and Death	7.0	6.4	7.3	8.6	7.2	10.6	6.1
Prescription Drug Coverage	12.0	1.0	6.5	8.3	12.6	11.2	13.4
Other	0.5	2.5	1.0	0.5	1.7	0.4	0.2
Administration Costs	3.8	0.6	4.9	4.0	7.6	10.9	1.7
Retirement and Savings	201.8	110.6	157.9	205.5	201.3	285.6	193.8
Defined Benefit Pension Plan	92.4	23.9	50.7	104.0	112.6	172.0	78.7
Cash Balance or Other Hybrid Plan	18.6	1.7	1.7	6.2	0.0	18.6	18.2
401K and Similar	57.8	40.2	60.8	52.8	58.1	77.9	54.7
Profit-Sharing	17.7	25.4	22.2	19.9	13.4	6.6	19.8
Stock Bonus/ESOP	13.9	8.5	13.6	6.0	2.8	6.2	18.8
Other	4.0	7.3	5.0	6.6	9.1	1.8	2.8
Administration Costs	2.5	3.7	3.9	10.0	5.3	2.4	0.8
Miscellaneous Benefits	19.7	8.7	18.4	50.0	27.3	29.0	13.4
Severance Pay	9.6	3.1	7.5	39.9	18.8	10.2	4.4
Child Care	0.1	0.2	0.0	0.0	0.1	0.1	0.1
Employee Education Expenditures	3.1	1.6	5.0	3.3	2.7	4.5	2.7
Discounts	4.6	1.4	2.9	3.3	4.7	10.7	3.8
Other	2.4	2.4	3.0	3.5	1.0	3.5	2.3

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TABLE 11

Employee Benefits as a Percentage of Payroll, by Company Size

Type of Benefit	Total, All Companies	Under 100 Employees	100–499 Employees	500–999 Employees	1,000–2,499 Employees	2,500–4,999 Employees	5,000+ Employees
Total Number of Companies	722	366	192	60	53	20	31
Total Number of Full-Time Equivalent Employees	652,949	12,545	42,901	42,982	85,241	71,344	397,937
Total Benefits as Percent of Payroll	40.3%	34.4%	36.0%	39.1%	37.4%	42.1%	41.3%
Legally Required Payments	9.1	10.6	9.8	9.7	8.5	8.7	9.1
Federally Required Payroll Taxes	7.0	7.2	7.0	7.0	7.0	7.0	7.0
Unemployment Compensation	0.7	1.1	0.9	0.9	0.6	0.4	0.7
Workers' Compensation Insurance	1.4	2.2	1.7	1.4	0.9	1.2	1.4
Other	0.1	0.2	0.2	0.4	0.0	0.1	0.0
Payments for Time Not Worked	10.5	8.9	9.5	9.8	9.9	9.9	11.0
Payments for Holidays	3.0	2.6	2.7	2.9	2.7	2.6	3.2
Paid Time Off	0.8	1.3	1.8	1.7	2.4	1.5	1.6
Payments for Vacations	1.2	3.0	2.8	3.2	2.9	3.5	3.9
Sick Leave Pay	3.6	0.7	0.7	0.9	0.9	1.1	1.4
Paid Breaks, etc.	1.7	1.1	1.2	0.8	0.7	1.0	0.8
Family and Medical Leave Pay	0.1	0.1	0.1	0.1	0.1	0.0	0.1
Other	0.1	0.1	0.2	0.2	0.1	0.2	0.1
Medically Related Benefit Payments	11.9	10.1	9.9	11.1	11.1	12.7	12.3
STD, Sickness or Accident Insurance	0.2	0.1	0.1	0.2	0.2	0.2	0.2
LTD or Wage Continuation	0.2	0.2	0.2	0.3	0.3	0.4	0.2
Medical Insurance Premiums	9.4	9.0	8.3	8.9	8.1	9.2	9.9
Dental Insurance Premiums	0.5	0.3	0.4	0.5	0.6	0.5	0.5
Vision Care	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Retiree Medical Insurance Premiums	0.6	0.0	0.2	0.4	0.9	1.1	0.6
Life Insurance and Death	0.3	0.3	0.3	0.4	0.3	0.4	0.2
Prescription Drug Coverage	0.5	0.0	0.3	0.3	0.5	0.4	0.6
Other	0.0	0.1	0.0	0.0	0.1	0.0	0.0
Administration Costs	0.2	0.0	0.2	0.2	0.3	0.4	0.1
Retirement and Savings	8.0	4.5	6.1	7.3	7.1	9.9	8.3
Defined Benefit Pension Plan	3.6	0.7	1.9	3.6	4.2	5.5	3.3
Cash Balance or Other Hybrid Plan	0.5	0.1	0.1	0.3	0.0	0.6	0.7
401K and Similar	2.2	1.7	2.2	1.9	2.0	3.0	2.1
Profit-Sharing	0.7	1.1	0.9	0.8	0.4	0.3	0.9
Stock Bonus/ESOP	0.8	0.4	0.7	0.2	0.1	0.2	1.1
Other	0.1	0.3	0.2	0.2	0.3	0.1	0.1
Administration Costs	0.1	0.2	0.2	0.2	0.2	0.1	0.0
Miscellaneous Benefits	0.7	0.3	0.6	1.2	0.9	0.9	0.5
Severance Pay	0.3	0.1	0.2	0.9	0.6	0.3	0.2
Child Care	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Employee Education Expenditures	0.1	0.1	0.2	0.1	0.1	0.2	0.1
Discounts	0.2	0.0	0.1	0.1	0.2	0.3	0.2
Other	0.1	0.1	0.1	0.1	0.0	0.1	0.1

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TABLE 12

Employee Benefits as Annual Dollars Per Employee, by Size of Company and Industry Group

(n = number of companies reporting costs in survey by industry and size)

Industry Group	Total All Company Sizes		Size of Company: Under 100 Employees		100-499 Employees		500-999 Employees		1,000-2,499 Employees		2,500-4,999 Employees		5,000+ Employees	
	$	n	$	n	$	n	$	n	$	n	$	n	$	n
Total, All Companies	20,158	792	16,589	366	18,445	192	21,206	60	21,299	53	23,521	20	19,494	31
Total, All Manufacturing	19,981	191	14,831	91	18,651	67	21,765	12	19,575	12	19,574	4	20,464	5
Chemicals (including pharmaceutical companies)	25,164	15	11,559	5	26,590	5	*	2	26,592	3	—	—	—	—
Computer, Electronic, and Electrical Products/Components	19,789	19	12,040	5	18,123	7	*	2	18,251	4	—	—	*	1
Fabricated Metal Products	17,615	30	16,833	16	22,245	12	—	—	*	1	*	1	—	—
Food, Beverage, and Tobacco	26,243	15	20,272	6	21,261	5	*	2	—	—	*	1	*	1
Industrial Machinery & Equipment	20,501	21	15,780	13	16,007	5	*	2	—	—	—	—	*	1
Instruments and Related Products	10,989	14	13,741	8	15,629	5	—	—	*	1	—	—	—	—
Non-metallic products (Rubber, Leather, Plastic, Glass, Clay)	15,514	25	13,723	13	16,122	11	*	1	—	—	—	—	—	—
Primary Metal Products (Steel, Smelting & Wire drawing)	20,465	10	12,119	5	*	2	*	2	—	—	—	—	*	1
Printing & Related Support Activities	15,736	13	13,186	8	18,500	3	—	—	*	1	*	1	—	—
Pulp, Paper, Lumber, and Furniture	17,944	11	14,594	4	12,754	5	*	1	*	1	—	—	—	—
Textile & Apparel	20,377	6	12,127	4	*	2	—	—	—	—	—	—	—	—
Transportation Equipment	21,301	6	*	1	15,588	3	—	—	*	1	*	1	—	—
Other Manufacturing Industries*	16,045	6	16,649	3	*	2	—	—	—	—	—	—	*	1
Total, All Non-Manufacturing	20,203	531	17,380	275	18,352	125	21,063	48	21,800	41	24,517	16	19,271	26
Construction	17,062	58	15,875	45	13,928	8	*	1	21,813	3	*	1	—	—
Educational Services	10,130	9	16,557	3	17,333	3	*	1	—	—	*	1	*	1
Finance and Insurance	23,668	104	19,907	36	18,148	26	27,084	17	21,758	11	30,624	6	22,335	8
Health Care & Social Assistance	18,501	44	11,228	8	12,398	18	18,298	5	18,990	9	*	2	*	2
Hospitality (lodging, restaurants, recreation & entertainment)	7,325	8	7,180	3	10,447	4	*	1	—	—	—	—	—	—
Information (data processing, information services & publishing	28,596	10	22,216	3	23,493	4	*	1	*	1	—	—	*	1
Professional, Scientific, and Technical Services (consulting, legal, accounting, & network services)	19,769	39	18,896	22	24,288	11	*	1	18,817	3	*	1	*	1
Public Utilities	31,054	29	20,424	6	27,237	10	27,533	4	30,548	6	34,476	3	—	—
Rental, Leasing and Real Estate	16,560	9	16,140	4	*	2	*	1	—	—	*	1	*	1
Retail Trade	9,655	42	12,512	31	10,340	7	*	1	—	—	—	—	9,430	3
Support and Management Services (management companies & administrative support)	14,169	10	20,608	8	*	1	*	1	—	—	—	—	—	—
Trade Associations, Business Federations & Chambers of Commerce	22,448	80	21,373	67	25,264	10	3	3	—	—	—	—	—	—
Transportation, Distribution and Warehousing	20,156	27	17,267	9	16,823	8	5	5	*	2	—	—	21,626	3
Wholesale Trade	15,656	42	15,177	21	15,556	10	5	5	20,537	3	*	1	*	2
Other Non-Manufacturing Industries**	19,935	20	18,301	9	15,350	3	*	1	25,649	3	—	—	19,662	4

*In categories where fewer than three firms reported, data is not shown separately; however, totals reflect all data.

**Other Manufacturing Industries includes Textiles & Apparel and Instruments & Related Products.

TABLE 13

Employee Benefits as a Percentage of Payroll, by Size of Company and Industry Group

(n = number of companies reporting costs in survey by industry and size)

Industry Group	Total, All Company Sizes		Size of Company: Under 100 Employees		100–499 Employees		500–999 Employees		1,000–2,499 Employees		2,500–4,999 Employees		5,000+ Employees	
	%	n	%	n	%	n	%	n	%	n	%	n	%	n
Total, All Companies	40.3	722	34.4	366	36.0	192	39.1	60	37.1	53	42.1	20	41.8	31
Total, All Manufacturing	42.0	91	34.9	91	36.2	67	39.7	12	37.1	12	38.9	4	45.6	5
Chemicals (including pharmaceutical companies)	39.3	15	32.5	5	43.6	5	*	2	39.9	3	—	—	—	—
Computer, Electronic, and Electrical Products/Components	36.7	19	29.8	5	28.9	7	*	2	32.9	4	—	—	*	1
Fabricated Metal Products	37.2	30	40.7	16	37.4	12	—	—	*	1	*	1	—	—
Food, Beverage, and Tobacco	57.8	15	36.4	6	41.3	5	*	2	—	—	*	1	*	1
Industrial Machinery & Equipment	31.6	21	37.2	13	34.3	5	*	2	—	—	—	—	*	1
Instruments and Related Products	29.5	14	29.9	8	36.8	5	—	—	*	1	—	—	—	—
Non-metallic products (Rubber, Leather, Plastic, Glass, Clay)	37.9	25	33.6	13	38.5	11	*	1	—	—	—	—	—	—
Primary Metal Products (Steel, Smelting & Wire drawing)	41.6	10	29.9	5	*	2	*	2	—	—	—	—	*	1
Printing & Related Support Activities	36.9	13	35.0	8	34.4	3	—	—	*	1	*	1	—	—
Pulp, Paper, Lumber, and Furniture	40.6	11	32.3	4	28.7	5	*	1	*	1	—	—	—	—
Textile & Apparel	36.0	6	32.8	4	*	2	—	—	—	—	—	—	—	—
Transportation Equipment	43.8	6	*	1	39.4	3	—	—	*	1	*	1	—	—
Other Manufacturing Industries*	51.4	6	39.1	3	*	2	—	—	—	—	—	—	*	1
Total, All Non-Manufacturing	39.8	531	34.2	275	35.8	125	38.9	48	37.5	41	42.9	16	40.4	26
Construction	34.7	58	31.5	45	30.7	8	*	1	35.7	3	*	1	—	—
Educational Services	39.1	9	45.7	3	40.4	3	*	1	—	—	*	1	*	1
Finance and Insurance	36.4	104	35.8	36	38.8	26	45.0	17	38.7	11		6	31.7	8
Health Care & Social Assistance	39.2	44	38.2	8	32.7	18	39.2	5	34.0	9	*	2	*	2
Hospitality (lodging, restaurants, recreation & entertainment)	27.6	8	17.5	3	34.8	4	*	1	—	—	—	—	—	—
Information (data processing, information services & publishing	32.6	10	36.0	3	36.0	4	*	1	*	1			*	1
Professional, Scientific, and Technical Services (consulting, legal, accounting, & network services)	32.3	89	29.5	22	30.3	11	*	1	25.5	3	*	1	*	1
Public Utilities	51.9	29	46.6	6	46.3	10	45.9	4	48.2	6	59.6	3	—	—
Rental, Leasing and Real Estate	52.3	9	33.8	4	*	2	*	1	—	—	*	1	*	1
Retail Trade	25.0	42	31.6	31	28.3	7	*	1	—	—	—	—	24.7	3
Support and Management Services (management companies & administrative support)	32.5	10	37.5	8	*	1	*	1	—	—	—	—	—	—
Trade Associations, Business Federations & Chambers of Commerce	35.2	80	36.2	67	37.4	10	32.0	3	—	—	—	—	—	—
Transportation, Distribution and Warehousing	37.2	27	38.4	9	41.6	8	35.8	5	*	2	—	—	38.0	3
Wholesale Trade	36.1	42	32.0	21	31.0	10	32.3	5	36.0	3	*	1	*	2
Other Non-Manufacturing Industries**	54.8	20	29.1	9	34.2	3	*	1	49.4	3	—	—	55.7	4

*In categories where fewer than three firms reported, data is not shown separately; however, totals reflect all data.

**Other Manufacturing Industries includes Textiles & Apparel and Instruments & Related Products.

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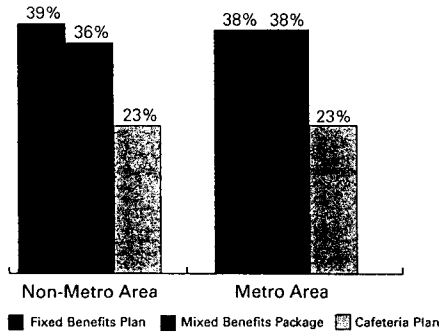
Regional Variations

Introduction to Geographic and Metropolitan Areas

Overall Benefits

More than 300 organizations responding to this survey are located in a metro geographic area, representing over 40% of the participating firms. A larger percentage of metro area participants offer their employees greater benefits variety through either a cafeteria plan or a mixed benefits package than non-metro area firms. Non-metro area firms are more likely to offer a fixed benefits plan over metro area companies, due to the fact that there are more large companies located in metro areas, and larger companies tend to offer more flexible benefits plans (see page 22, "Introduction to Company Size").

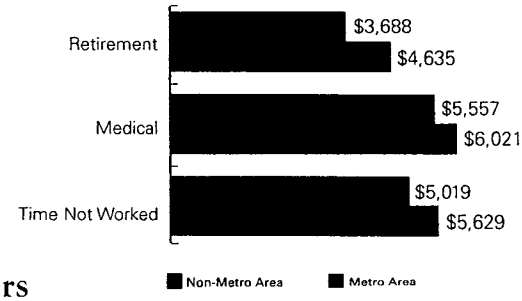
Type of Benefits Plan Offered



Value of Benefits

Total annual dollars of employee benefits per employee for metro vs. non-metro area firms are $21,154 vs. $19,161, respectively. When separated by benefit components, retirement payments are $1,000 higher per employee at metropolitan area firms. Payments for time not worked are $600 per employee higher in metro areas than in non-metro areas, and medical payments are about $500 per employee higher for companies in cities.

Value of Employee Benefits



Benefits Offered to Full-Time & Part-Time Workers

	Non-Metro Area		Metro Area	
	FT	PT	FT	PT
Paid vacation	97%	32%	99%	43%
Paid holidays	96%	34%	99%	42%
Health insurance	96%	19%	98%	28%
Retirement plan(s)	89%	32%	90%	40%
Life insurance	88%	16%	88%	21%
Dental	76%	18%	86%	26%
Paid sick leave	72%	19%	84%	30%
Long-term disability	64%	11%	79%	16%
Short-term disability	60%	12%	70%	15%
Vision	44%	11%	51%	19%

In general, more of the surveyed companies in metro areas offer benefits to full and part-time employees than those in non-metro areas. For example, 86% of organizations located in metro areas offer some type of dental insurance to full-time employees compared to 76% of those organizations located outside a metro area. Other examples include paid sick leave (84% vs. 72%), long-term disability (79% vs. 64%), and vision coverage (51% vs. 44%). A higher percentage of participating companies from metro areas offer benefits to part-time employees in every category.

Flexible Work Schedules & Spending Accounts

Benefits of pre-tax Flexible Spending Accounts (e.g. transportation and childcare) and flexible/compressed work schedules are offered to more metro area organizations than non-metro area companies. Over half (54%) of the surveyed organizations in large cities provide child care for their full-time workers, while only 4 out of 10 (39%) non-metro area companies offer the same benefit. 15% of the companies located in metro areas offer a flexible work schedule and 11% offer transportation spending accounts. As for non-metro organizations, 1 in 11 offer a flexible work schedule and only 1 in 45 provide transportation spending accounts for their full-time employees.

Flexible Spending Account Trends

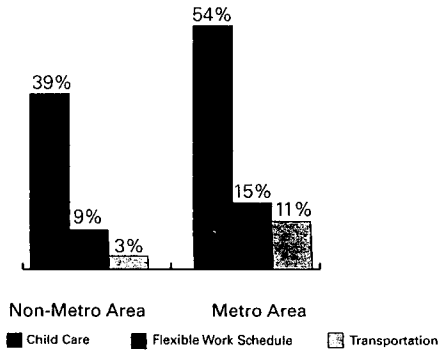


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TABLE 14

Employee Benefits as a Percentage of Payroll, by Geographic Region, Metropolitan, and Non-Metropolitan Groups

Type of Benefit	East North Central (WI, IL, MI, IN, OH)	East South Central (KY, TN, MS, AL)	Middle Atlantic (NY, PA, NJ)	Mountain (MT, ID, WY, NV, UT, CO, AZ, NM)	New England (ME, VT, NH, MA, CT, RI)	Pacific (WA, OR, CA, HI, AK)	South Atlantic (WV, VA, MD, DE, DC, NC, SC, GA, FL)	West North Central (ND, SD, NE, KS, MN, IA, MO)	West South Central (TX, OK, AR, LA)	Employees not centralized in any one area	Metropolitan area	Non-metropolitan area
Total Number of Companies	145	46	72	53	31	78	107	110	61	19	385	337
Total Number of Full-Time Equivalent Employees	96,154	17,569	100,987	66,386	6,810	46,208	44,197	136,008	35,031	103,600	326,421	326,529
Total Benefits as a Percent of Payroll	43.0%	31.2%	40.3%	48.0%	34.1%	38.9%	34.9%	39.7%	49.8%	35.0%	39.8%	40.8%
Legally Required Payments	8.6	8.5	8.6	9.0	9.3	10.1	9.2	8.5	9.3	10.5	9.6	8.6
Federally Required Payroll Taxes	7.0	6.8	7.2	7.5	7.1	7.1	7.5	7.0	6.9	6.4	7.0	7.0
Unemployment Compensation	0.6	0.5	0.6	0.7	1.0	1.0	0.6	0.4	0.6	1.3	0.8	0.5
Workers' Compensation Insurance	0.9	1.2	0.8	0.8	1.2	1.9	0.9	1.1	1.7	2.9	1.8	1.0
Other	0.1	0.0	0.0	0.0	0.0	0.0	0.3	0.0	0.2	0.0	0.1	0.1
Payments for Time Not Worked	11.4	7.5	10.1	13.6	10.9	10.4	8.8	11.3	9.6	8.7	10.7	10.8
Payments for Holidays	3.2	2.0	3.4	3.1	3.0	2.9	2.6	3.2	1.7	2.8	3.1	3.0
Paid Breaks, Etc.	1.6	0.7	0.3	2.1	0.6	0.4	0.6	0.3	1.2	0.8	0.6	1.1
Sick Leave Pay	0.9	0.7	0.9	1.8	1.1	0.6	0.7	2.1	0.4	1.0	1.0	1.4
Payments for Vacations	4.5	2.6	4.9	3.9	3.9	1.8	2.7	3.4	1.6	3.5	3.5	3.6
Paid Time Off	1.1	1.2	0.5	2.6	2.1	4.4	2.0	2.1	4.4	0.4	2.2	1.5
Family and Medical Leave Pay	0.1	0.1	0.1	0.0	0.1	0.0	0.1	0.0	0.1	0.1	0.0	0.1
Other	0.1	0.1	0.1	0.1	0.1	0.3	0.1	0.2	0.2	0.1	0.2	0.1
Medically Related Benefit Payments	11.9	9.5	11.6	16.3	10.9	11.7	9.9	13.2	13.0	9.0	11.6	12.2
STD, Sickness or Accident Insurance	0.3	0.1	0.3	0.6	0.2	0.2	0.1	0.1	0.0	0.1	0.3	0.1
LTD or Wage Continuation	0.3	0.2	0.3	0.4	0.4	0.4	0.3	0.2	0.3	0.1	0.3	0.2
Medical Insurance Premiums	8.8	7.5	8.3	12.4	9.0	8.9	7.8	12.0	10.1	6.5	8.7	10.0
Dental Insurance Premiums	0.5	0.3	0.6	1.2	0.5	0.6	0.4	0.1	0.3	0.4	0.5	0.5
Vision Care	0.0	0.0	0.0	0.0	0.0	0.1	0.0	0.0	0.0	0.0	0.0	0.0
Retiree Medical Insurance Premiums	0.9	0.6	0.9	0.4	0.1	0.4	0.3	0.4	1.1	0.6	0.8	0.4
Life Insurance and Death	0.3	0.3	0.4	0.2	0.2	0.3	0.2	0.2	0.3	0.3	0.3	0.3
Prescription Drug Coverage	0.5	0.2	0.8	0.8	0.5	0.8	0.3	0.1	0.1	0.7	0.7	0.4
Other	0.0	0.0	0.0	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Administration Costs	0.2	0.2	0.0	0.1	0.0	0.1	0.4	0.1	0.6	0.2	0.1	0.2
Retirement and Savings	9.5	5.2	9.1	8.7	2.6	6.4	6.3	6.3	17.3	6.5	7.1	8.7
Defined Benefit Pension Plan	5.1	3.1	3.2	5.1	0.6	4.4	3.2	3.6	4.5	1.2	3.5	3.5
Cash Balance or Other Hybrid Plan	0.4	0.0	2.4	0.0	0.0	0.0	0.0	0.4	0.2	0.0	1.0	0.2
401K and Similar	1.8	1.6	2.1	2.5	1.2	1.1	2.2	1.1	12.1	1.2	1.7	2.5
Profit-Sharing	1.5	0.3	0.6	0.8	0.2	0.4	0.2	0.9	0.1	0.7	0.4	1.1
Stock Bonus/ESOP	0.3	0.1	0.7	0.2	0.0	0.2	0.7	0.1	0.3	3.3	0.3	1.3
Other	0.3	0.0	0.1	0.0	0.5	0.2	0.0	0.1	0.0	0.0	0.1	0.1
Administration Costs	0.1	0.1	0.1	0.1	0.1	0.0	0.1	0.1	0.1	0.1	0.1	0.1
Miscellaneous Benefits	1.7	0.6	0.8	0.4	0.4	0.3	0.7	0.5	0.7	0.3	0.8	0.6
Severance Pay	0.8	0.2	0.5	0.1	0.2	0.1	0.2	0.1	0.3	0.1	0.3	0.3
Child Care	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Employee Education Expenditures	0.2	0.0	0.1	0.1	0.1	0.0	0.1	0.2	0.2	0.0	0.1	0.1
Discounts	0.4	0.2	0.2	0.1	0.0	0.2	0.2	0.0	0.1	0.1	0.2	0.1
Other	0.2	0.0	0.0	0.0	0.1	0.0	0.1	0.1	0.1	0.0	0.1	0.0

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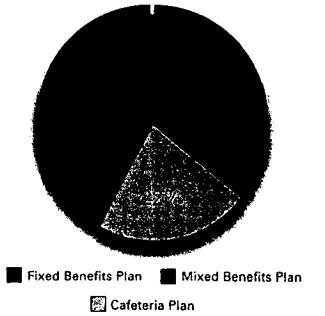
Nonprofit Variations

Overview to Nonprofits

Overall Benefits

One-fifth of participating companies identified themselves as being organized under a nonprofit tax status. Overall, more than half (58%) of these nonprofits allow the employees to select which type of benefits they would like through a cafeteria plan or a mixed benefits package plan. The remaining (42%) offer a fixed benefits plan where benefits are predetermined for each employee.

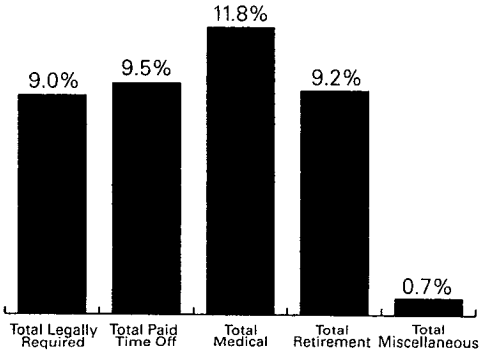
Type of Benefit Plan Offered



Benefits as a Percentage of Payroll

Participating nonprofit firms pay an average of 40.8% of payroll for employee benefits, which is identical to the for-profit company average. However, there are slight differences in the breakdown of the two groups, with nonprofits spending a larger percent on retirement (9.2%) than for-profit firms (7.8%).

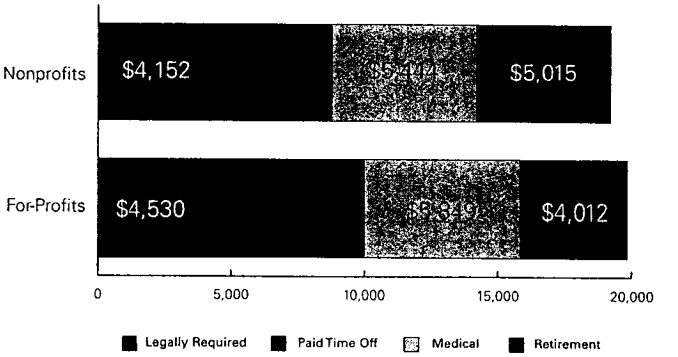
Nonprofits: Benefits as a Percentage of Payroll



Value of Benefits

Nonprofit firms pay $19,551 per employee for benefits compared to $20,264 paid by for-profits. For-profit organizations offer more than nonprofits in medical and legally required payments at a difference of about $400 and provide more paid time off benefits (by $840) . Only in the retirement payments category do the participating nonprofit companies pay more in dollars per employee than for-profit participants (by over $1,000).

Benefits as Average Cost Per Employee



Benefits Offered to Full-Time & Part-Time Employees

Nearly every participating nonprofit firm (99%) offers paid vacations and paid holidays to their full-time employees. Over 9 out of 10 survey respondents also provide access to health insurance, paid sick leave, a retirement plan, and life insurance to their full-time employees. In addition, nearly 4 out of 5 nonprofit organizations offer dental insurance and long-term disability coverage to their full-time employees. The most common benefits offered to part-time employees are paid vacation, paid holidays, and retirement plans, as offered by four out of ten participating nonprofit companies.

Benefit Type	FT	PT
Paid vacation	99%	43%
Paid holidays	99%	40%
Health insurance	95%	26%
Paid sick leave	94%	32%
Retirement plan(s)	93%	38%
Life insurance	91%	22%
Dental	80%	25%
Long-term disability	77%	18%
Short-term disability	57%	14%
Vision	51%	17%

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Paid Time Off

Paid time off benefits were offered by nearly every participating company in 2004. Payments for time not worked (including paid breaks) account for more than one-quarter of all benefits' costs, averaging 10.5% of payroll. This section provides a summary of paid time off benefit practices at participating companies.

Paid Holidays

Nearly every participating company (98%) provides paid holiday benefits for full-time employees. Participating firms recognized an average of 8.5 paid holidays in 2004. On average, smaller firms recognized fewer paid holidays than larger firms.

Average Number of Paid Holidays Recognized in 2004 by Participating Firms

	By Industry		By Number of Employees					
All Companies	Non-Manufacturing	Manufacturing	Under 100	100–499	500–999	1,000–2,499	2,500–4,999	5,000+
8.5 days	8.4 days	8.5 days	7.9 days	8.8 days	9.4 days	9.0 days	9.8 days	9.3 days

Paid Time Off

Three out of four (72%) of participating companies provide vacation and sick benefits as a separate classification, while over 1 in 4 (28%) offer benefits to employees as a hybrid "Paid Time Off" account. Typically, such plans provide a set amount of time that employees may utilize for vacation, personal, and/or sick leave. Among participants, traditional vacation and sick leave plans are more common among manufacturing companies.

Type of Paid Time Off Plan among Companies Offering Vacation Benefits

		By Industry		By Number of Employees					
	All Companies	Non-Manufacturing	Manufacturing	Under 100	100–499	500–999	1,000–2,499	2,500–4,999	5,000+
Traditional vacation/ sick leave plan	72%	71%	76%	74%	69%	70%	60%	80%	74%
Paid time off plan	28%	29%	24%	26%	31%	30%	40%	20%	26%

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Traditional Vacation & Sick Leave Plans

On average, an employee with one year of service is provided 8.5 days of paid vacation as compared to 16.2 paid vacation days for an employee with 10 years of service. As with paid time off plans, non-manufacturing and larger companies generally provide a higher number of vacation days.

Average Number of Vacation Days Provided Among Participating Firms by Tenure

		By Industry		By Number of Employees					
	All Companies	Non-Manufacturing	Manufacturing	Under 100	100–499	500–999	1,000–2,499	2,500–4,999	5,000+
1 year of service	8.5	8.8	7.8	7.6	8.8	9.7	11.1	11.1	10.4
5 years	13.2	13.4	12.5	12.2	13.8	14.0	14.8	14.3	15.2
10 years	16.2	16.4	15.5	15.2	17.1	17.1	17.8	17.0	17.4
15 years	17.9	18.1	17.3	16.5	18.9	20.0	20.2	20.3	19.7
20 years	19.1	19.1	18.9	17.3	20.1	21.8	21.6	22.8	22.1

Among participating companies that provide traditional vacation benefits, three-fourths (78%) also provide paid sick leave.

Average Number of Annual Sick Days Taken & Provided Among Participating Firms

		By Industry		By Number of Employees					
	All Companies	Non-Manufacturing	Manufacturing	Under 100	100–499	500–999	1,000–2,499	2,500–4,999	5,000+
Sick Days Taken	4.7	4.9	4.1	4.5	5.1	4.1	4.8	6.5	4.4
Sick Days Provided	7.8	8.6	5.0	7.6	7.6	7.6	9.6	9.4	7.3

Over 1 in 4 participating companies (28%) provide paid time off benefits. On average, an employee with one year of service is provided 13.7 days of paid time off, as compared to 21.1 paid days off for an employee with 10 years of service.

Average Number of Paid Days Off Provided Among Participating Firms by Tenure

		By Industry		By Number of Employees					
	All Companies	Non-Manufacturing	Manufacturing	Under 100	100–499	500–999	1,000–2,499	2,500–4,999	5,000+
1 year of service	13.7	14.6	10.8	11.6	14.4	17.2	15.5	18.8	17.6
5 years	18.1	19.0	15.1	16.0	19.0	21.3	19.1	23.8	23.3
10 years	21.1	22.0	17.8	18.4	23.0	23.8	21.7	25.0	26.5
15 years	22.2	23.3	18.3	18.9	24.2	26.6	23.9	27.0	28.8
20 years	23.0	24.2	18.9	19.9	24.4	27.8	24.4	29.0	29.6

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Medical

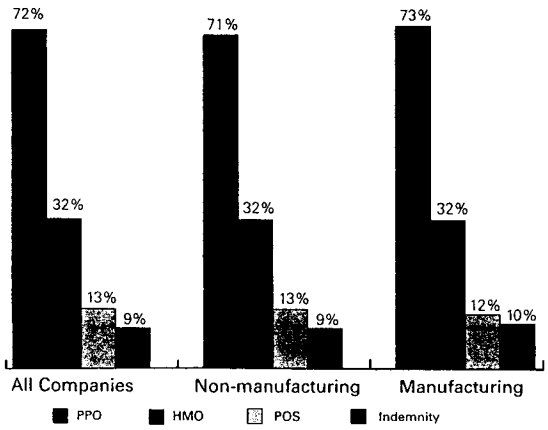
Discussion of Health Care Benefits Practices

Nearly every participating company (96%) provides health care benefits to full-time employees. A majority of those companies (82%) require a waiting period for health insurance coverage, with the most common waiting period for full-time employees being one to three months (41%). In general, participating companies with fewer than 500 employees require longer waiting periods than larger companies: 15% require a waiting period of more than three months. However, the specific type and coverage of health plan benefits vary from company to company. This section provides an overview of the health plan benefits as well as a discussion of health plan costs.

Type of Health Plan

Although the specific details of health plans vary considerably, health plans can be grouped into four basic plan types: Preferred Provider Organization (PPO; which allow those covered to select among the most cost-efficient providers), Health Maintenance Organization (HMO), Point of Service (POS), and Indemnity. The most common type of health plan among participating companies are PPO health plans, offered by nearly three out of four (72%) participating companies. One in three (32%) participating companies offer an HMO plan while POS (13%) and Indemnity (9%) plans are less common.

Type of Health Plan by Industry



Companies in all size categories favor PPOs followed by HMO plans, with nearly twice the percentage of large companies using HMO's than smaller companies. The third most popular medical plan, Point of Service, is equally preferred by larger companies as are Indemnity plans, while the smaller companies lean towards offering Indemnity plans. Three out of ten (28%) participating companies offer more than one type of health plan.

Type of Health Plan by Number of Employees

	Under 100	100–499	500–999	1,000–2,499	2,500–4,999	5,000+
PPO plan	62%	80%	78%	87%	95%	81%
HMO health insurance plan	28%	31%	31%	43%	50%	58%
Point of Service plan	10%	12%	17%	19%	15%	35%
Indemnity health insurance plan	3%	10%	24%	21%	15%	39%

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Key Aspects of Coverage

In addition to major medical insurance, the large majority (86%) of participating companies offer prescription drug coverage. Of those offering prescription drug coverage, 2 in 10 (19%) provide coverage to retirees under the age of 65 and 16% offer prescription drug benefits to retirees over the age of 65. Four out of five (80%) participating companies provide dental insurance and close to half provide coverage for vision care (47%) and/or chiropractic care (40%).

Over 4 out of 10 of the companies surveyed provide Flexible Spending Accounts (45%). Less common are: mental health coverage (31%), retiree health insurance (27%), coverage for retirees under the age of 65 years old (20%), long-term care insurance (15%), coverage for unmarried domestic partners (10%), alternative forms of medical care such as homeopathy (9%), high deductible health care plans (9%), Health Reimbursement Arrangements (6%), and Health Savings Accounts (5%).

In general, larger companies are more likely than smaller companies to offer health plans that cover a broader range of benefits, such as dental insurance, vision care, coverage for retirees under 65 and for unmarried domestic partners. Coverage for retirees increases dramatically with the size of the company (coverage by 7% of businesses with less than 100 employees vs. 77% for those with greater than 5,000 employees). Furthermore, larger companies are several times more likely to provide alternative forms of medical care, long-term care insurance, and Medical Spending or Reimbursement Accounts.

Key Aspects of Health Plan Coverage by Number of Employees

	Under 100	100–499	500–999	1,000–2,499	2,500–4,999	5,000+
Hospital, surgical, medical, and major medical	94%	98%	100%	98%	100%	100%
Prescription drug coverage	79%	91%	100%	92%	95%	100%
Life insurance	78%	91%	100%	100%	100%	97%
Dental insurance	66%	92%	97%	100%	100%	100%
Vision care	36%	48%	67%	72%	75%	65%
Chiropractic care	24%	50%	58%	57%	90%	77%
Flexible Spending Accounts	23%	59%	68%	79%	80%	84%
Mental health coverage	15%	41%	57%	47%	65%	52%
Alcohol and drug abuse treatment	12%	35%	42%	42%	55%	48%
Retiree health insurance	12%	27%	54%	65%	65%	71%
High Deductible Health Plan	9%	7%	7%	9%	10%	19%
Health Reimbursement Arrangement	7%	8%	2%	4%	10%	3%
Long-term care insurance	6%	16%	25%	38%	45%	48%
Alternative forms of medical care (e.g., homeopathy, herbal therapies)	5%	10%	13%	15%	20%	13%
Coverage for retirees under 65	5%	19%	47%	53%	65%	68%
Coverage for retirees over 65	5%	14%	37%	38%	50%	52%
Coverage for unmarried domestic partners	4%	15%	12%	17%	30%	29%
Same sex	3%	10%	12%	11%	25%	26%
Health Savings Accounts (or Medical Savings Accounts	4%	8%	9%	4%	0%	7%

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A similar percentage of manufacturing and non-manufacturing companies provide medical coverage in the most common areas of health plan coverage (other than major medical), such as life insurance, dental, prescription drug coverage, etc. However, non-manufacturing companies tend to provide coverage in more areas than manufacturing companies. An exception is found in High Deductible Health Plans, with manufacturing firms providing nearly twice as much coverage (13%) as non-manufacturing firms (7%).

Key Aspects of Health Plan Coverage by Industry

	All Companies	Non-Manufacturing	Manufacturing
Hospital, surgical, medical, and major medical insurance	96%	96%	98%
Life insurance	87%	85%	90%
Prescription drug coverage	86%	84%	91%
Dental insurance	80%	80%	81%
Vision care	47%	48%	44%
Flexible Spending Accounts	45%	46%	40%
Chiropractic care	40%	39%	46%
Mental health coverage	31%	29%	36%
Retiree health insurance	27%	31%	17%
Alcohol and drug abuse treatment	26%	24%	31%
Coverage for retirees under 65	20%	23%	12%
Coverage for retirees over 65	16%	18%	9%
Long-term care insurance	15%	17%	12%
Coverage for unmarried domestic partners	10%	10%	11%
Same sex	8%	8%	7%
Alternative forms of medical care (e.g., homeopathy, herbal therapies)	9%	9%	8%
High Deductible Health Plan	9%	7%	13%
Health Reimbursement Arrangement	6%	6%	7%
Health Savings Accounts (or Medical Savings Accounts)	5%	5%	7%

Cost Control Methods

As the cost of providing health care benefits has risen, many companies and/or health plan providers have taken measures to better manage the costs associated with health care coverage. Among participating companies, mail-order pharmacy services are the most commonly used cost-control method, used by 62% of participating companies. Due to the volume of prescriptions ordered through mail-order pharmacy services, prescriptions are often offered at a reduced cost. Nearly half (46%) of participating companies require pre-admission certification, while over one-third (37%) self-insure or fully insure at least a part of their employee health care benefits. Less common are pharmacy benefit managers (17%), behavioral health service manager programs (13%), and group purchasing arrangements (7%).

On the whole, manufacturing companies use more cost control methods than non-manufacturing companies. When separated by size of company, larger companies in both industries are much more likely to use such cost control methods. For example, the largest companies surveyed are seven times more likely than the smallest companies to self-insure or fully insure any of their benefits. Being self-insured, larger companies are essentially acting as their own insurance company in making direct payments, but are willing to take this financial risk for cost control purposes.

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Health Care Cost Control Methods by Industry

	All Companies	Non-Manufacturing	Manufacturing
Mail-order pharmacy	62%	59%	69%
Pre-admission certification	46%	44%	51%
Self-insure or fully insure any of your health benefits	37%	36%	41%
Pharmacy benefit manager	17%	17%	18%
Behavioral health service manager	13%	13%	15%
Participate in a group purchasing arrangement for either medical services or medical insurance with other firms in your community	7%	6%	8%

Health Care Cost Control Methods by Number of Employees

	Under 100	100–499	500–999	1,000–2,499	2,500–4,999	5,000+
Mail-order pharmacy	40%	76%	93%	87%	95%	97%
Pre-admission certification	28%	52%	75%	70%	80%	90%
Self-insure or fully insure any of your health benefits	15%	45%	58%	85%	100%	94%
Participate in a group purchasing arrangement for either medical services or medical insurance with other firms in your community	5%	7%	5%	9%	10%	19%
Behavioral health service manager	3%	17%	25%	25%	40%	52%
Pharmacy benefit manager	2%	15%	32%	47%	80%	74%

Health Insurance Premium Cost Sharing

Although health insurance premiums have steadily increased over the past years, one-quarter of participating companies (25%) fully cover the cost of health insurance premiums. For the majority of companies, premium expense is split between the employer and covered employee. For almost half (44%) of participating companies, the cost of health insurance is shared proportionately, with the employer paying a set percentage of the premium cost. One in six (16%) participating employers indicated that they contribute a set dollar amount toward the cost of coverage, while 13% define a dollar amount to be contributed by employees. In general, larger companies are about twenty times more likely to share premium costs through proportional payments than to fully cover premiums, whereas smaller companies have a much closer split, with 35% of those with fewer than 100 employees proportionally sharing premium costs verses 38% covering premium costs.

Method of Health Insurance Premium Cost Sharing by Industry

	All Companies	Non-Manufacturing	Manufacturing
Proportional shared costs	44%	44%	46%
Fully paid by the employer	25%	27%	18%
Defined dollar contribution by the employee	13%	11%	19%
Defined dollar contribution by the employer	16%	16%	15%
Other	2%	2%	2%

Method of Health Insurance Premium Cost Sharing by Number of Employees

	Under 100	100–499	500–999	1,000–2,499	2,500–4,999	5,000+
Proportional shared costs	35%	49%	50%	65%	55%	59%
Fully paid by the employer	38%	16%	15%	2%	10%	3%
Defined dollar contribution by the employee	8%	15%	15%	23%	10%	14%
Defined dollar contribution by the employer	16%	18%	17%	10%	15%	24%
Other	2%	2%	3%	0%	10%	0%

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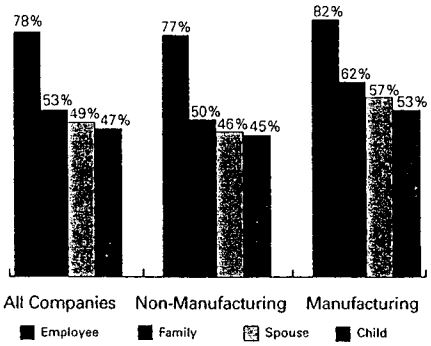
Employer Share of Health Insurance Premiums

Among participating companies, the average employer share of health insurance cost for employees is 78% of the premium cost; the average employer contribution for a spouse is 53% of the premium cost. In general, larger companies provide a greater share of premium payments for dependents (spouse, child, and family) than smaller companies.

Employer Share of Health Insurance Premiums by Industry



Employer Share of Health Insurance Premiums by Number of Employees

	Under 100	100–499	500–999	1,000–2,499	2,500–4,999	5,000+
Employee	78.7%	77.2%	76.5%	78.4%	85.0%	75.0%
Spouse	39.7%	53.0%	60.0%	61.5%	70.2%	58.9%
Child	38.1%	50.8%	52.4%	59.1%	71.5%	60.5%
Family	41.5%	56.7%	62.2%	71.1%	76.4%	69.7%

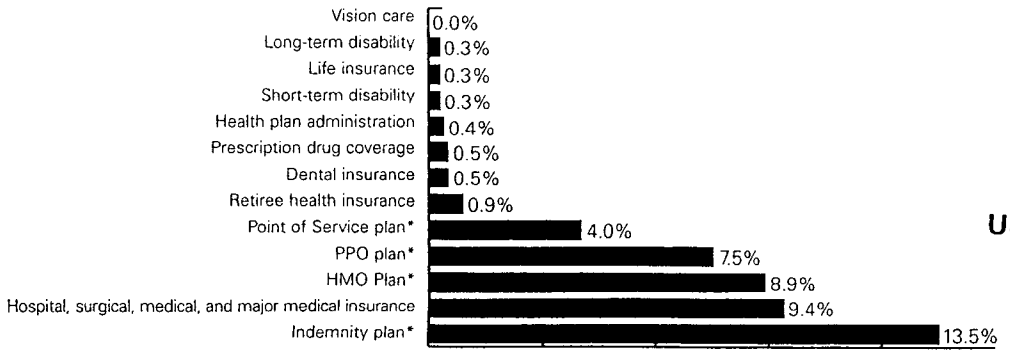
Medical Benefits Costs

Medically related benefits accounted for more than one-quarter of all benefit costs (29%), with an average of 11.9% of total gross payroll or $5,790 per employee. Employee payroll deductions for medical benefits averaged an additional 2.8% of payroll, bringing the average total cost of medical benefits to 14.7% of payroll. Hospital, surgical, medical, and major medical insurance premiums accounted for the majority of medical benefits' costs, accounting for 9.4% of payroll on average. Other medical expenses include: Prescription drugs (.5%), Dental insurance premiums (0.5%), Retiree health insurance premiums (.6%), Life insurance (0.3%), Short-term disability payments (0.2%), Long-term disability payments (0.2%), and Administrative costs (0.2%).

Among participating companies, non-manufacturers spent a slightly higher percentage of payroll on medical benefits (12.1%) than manufacturers (11.2%). Employee payroll deductions also averaged higher at non-manufacturing firms (2.9%) than manufacturing firms (2.6%). In general, companies with 500 or more employees averaged a greater portion of payroll spending on medical benefits than did smaller companies.

The average costs, as a percentage of payroll, for specific medical benefits (among companies that offer them and are able to provide their specific costs) are provided below. A breakdown is also provided of the costs of hospital, surgical, medical, and major medical insurance plans for companies possessing only one such plan. Additional comparisons for employer versus employee medical payments are outlined on page 44.

Medical Benefits Costs Among Companies Reporting Payments, as a Percentage of Payroll



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*Sole plan offered by the company.

TABLE 15

Medically Related Benefits Payments as Annual Dollars Per Employee, by Industry Group

Industry Group (# of Responding Companies)	Total Employer's Share	Short-Term Disability, Sickness or Accident Insurance	Long-Term Disability or Wage Continuation	Medical Insurance Premiums	Dental Insurance Premiums	Vision Care	Retiree Medical Insurance Premiums	Life Insurance	Prescription Drug Coverage	Other	Administrative Costs	Total Employee Payroll Deductions for Medical and Medically-Related Benefits	Total Employer's Share Plus Employees' Payroll Deductions
Total, All Companies	$5,789	$122	$137	$4,410	$263	$12	$340	$152	$265	$11	$77	$1,334	$7,123
Total, Manufacturing	5,279	63	66	3,696	298	16	596	122	338	3	80	1,136	6,415
Chemicals (including pharmaceutical companies)	7,792	31	217	5,082	427	10	693	97	697	536	0	1,607	9,399
Computer, Electronic, and Electrical Products/Components	5,108	111	84	3,789	408	38	8	112	508	51	0	1,344	6,452
Fabricated Metal Products	5,473	100	71	5,014	89	0	5	167	19	6	1	2,030	7,503
Food, Beverage, and Tobacco	6,717	18	8	4,106	370	32	1,518	144	517	4	0	1,102	7,819
Industrial Machinery & Equipment	3,669	51	9	1,511	266	4	1,446	101	268	11	1	299	3,968
Instruments and Related Products	3,162	32	50	2,888	127	5	0	57	0	3	1	1,437	4,599
Non-metallic products (Rubber, Leather, Plastic, Glass, Clay)	5,171	56	77	4,441	141	24	76	159	62	105	31	735	5,906
Primary Metal Products (Steel, Smelting & Wire drawing)	6,175	25	152	5,340	349	0	0	281	27	2	0	1,508	7,683
Printing & Related Support Activities	6,532	15	5	5,477	369	0	0	106	32	495	33	1,030	7,562
Pulp, Paper, Lumber, and Furniture	5,733	146	115	4,371	442	30	8	169	403	40	9	829	6,562
Textile & Apparel	5,250	0	67	5,031	56	0	0	48	48	0	0	1,607	6,857
Transportation Equipment	8,161	199	68	6,060	428	78	265	122	753	188	0	686	8,847
Other Manufacturing Industries*	3,745	63	67	2,702	161	0	387	67	298	0	0	1,374	5,119
Total, All Non-Manufacturing	5,920	137	156	4,594	254	12	274	159	246	13	76	1,385	7,305
Construction	4,907	89	61	3,478	128	2	520	187	293	135	13	1,417	6,324
Educational Services	4,563	19	48	4,232	68	4	0	51	0	141	0	828	5,391
Finance and Insurance	5,975	184	207	4,423	260	11	444	246	100	84	16	1,805	7,780
Health Care & Social Assistance	4,848	29	144	4,135	112	5	8	49	248	116	1	1,320	6,168
Hospitality (lodging, restaurants, recreation & entertainment)	2,099	18	10	1,985	50	12	0	17	0	1	6	461	2,560
Information (data processing, information services & publishing)	8,590	570	376	5,580	655	4	120	453	830	1	1	332	8,922
Professional, Scientific, and Technical Services (consulting, legal, accounting, & network services)	5,101	65	60	4,185	265	8	2	86	405	23	1	1,515	6,616
Public Utilities	8,830	58	382	5,497	478	3	1,542	353	136	246	134	1,633	10,463
Rental, Leasing and Real Estate	3,302	33	21	2,669	91	4	0	92	313	78	1	382	3,684
Retail Trade	2,760	62	19	2,057	141	7	2	39	358	74	0	1,189	3,949
Support and Management Services (management companies & administrative support)	4,394	20	71	3,978	13	2	155	155	0	0	0	1,217	5,611
Trade Associations, Business Federations & Chambers of Commerce	5,875	165	170	4,262	357	9	208	203	145	354	2	1,386	7,261
Transportation, Distribution & Warehousing	6,883	446	218	4,847	409	43	0	159	759	1	1	796	7,679
Wholesale Trade	5,076	102	117	3,619	233	16	292	272	297	126	1	1,521	6,597
Other Non-Manufacturing Industries**	7,734	13	102	6,987	251	9	292	36	26	8	9	1,479	9,213

*Other Manufacturing Industries includes Textiles & Apparel and Instruments & Related Products.

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TABLE 16

Medically Related Benefits Payments as a Percentage of Payroll, by Industry Group

Industry Group (# of Responding Companies)	Total Employer's Share	Short-Term Disability, Sickness or Accident Insurance	Long-Term Disability or Wage Continuation	Medical Insurance Premiums	Dental Insurance Premiums	Vision Care	Retiree Medical Insurance Premiums	Life Insurance	Prescription Drug Coverage	Other	Administrative Costs	Total Employee Payroll Deductions for Medical and Medically-Related Benefits	Total Employer's Share Plus Employees' Payroll Deductions
Total, All Companies	11.9%	0.2%	0.2%	9.4%	0.5%	0.0%	0.6%	0.3%	0.5%	0.0%	0.2%	2.8%	14.7%
Total, Manufacturing	11.2	0.1	0.1	8.0	0.6	0.0	1.2	0.3	0.7	0.1	0.0	2.6	13.8
Chemicals (including pharmaceutical companies)	12.1	0.1	0.3	8.1	0.6	0.0	1.0	0.2	1.0	0.0	0.8	2.5	14.6
Computer, Electronic, and Electrical Products/Components	9.5	0.2	0.2	7.1	0.7	0.1	0.0	0.2	1.0	0.0	0.1	2.6	12.1
Fabricated Metal Products	11.8	0.2	0.1	10.8	0.2	0.0	0.0	0.4	0.0	0.0	0.0	4.5	16.3
Food, Beverage, and Tobacco	14.9	0.0	0.0	9.0	0.8	0.1	3.3	0.3	1.2	0.0	0.0	2.2	17.1
Industrial Machinery & Equipment	5.8	0.1	0.0	2.5	0.4	0.0	2.2	0.2	0.4	0.0	0.0	0.5	6.3
Instruments and Related Products	8.8	0.1	0.1	8.2	0.2	0.0	0.0	0.1	0.0	0.0	0.0	4.5	13.3
Non-metallic products (Rubber, Leather, Plastic, Glass, Clay)	12.9	0.1	0.2	11.1	0.3	0.1	0.1	0.4	0.2	0.1	0.3	1.6	14.5
Primary Metal Products (Steel, Smelting & Wire drawing)	12.7	0.1	0.3	11.0	0.7	0.0	0.0	0.6	0.1	0.0	0.0	3.2	15.9
Printing & Related Support Activities	14.6	0.1	0.0	12.2	0.7	0.0	0.0	0.2	0.2	0.1	1.1	3.4	18.0
Pulp, Paper, Lumber, and Furniture	13.0	0.4	0.3	9.5	1.0	0.1	0.0	0.4	1.2	0.1	0.1	2.2	15.2
Textile & Apparel	9.8	0.0	0.1	9.4	0.1	0.0	0.0	0.1	0.1	0.0	0.0	2.8	12.6
Transportation Equipment	16.9	0.4	0.1	12.9	0.9	0.2	0.4	0.3	1.3	0.0	0.3	1.5	18.4
Other Manufacturing Industries*	12.0	0.2	0.2	8.6	0.5	0.0	1.3	0.2	1.0	0.0	0.0	4.4	16.4
Total, All Non-Manufacturing	12.1	0.2	0.3	9.7	0.5	0.0	0.5	0.3	0.5	0.2	0.0	2.9	15.0
Construction	10.1	0.2	0.1	7.4	0.2	0.0	1.1	0.3	0.4	0.0	0.3	3.1	13.2
Educational Services	20.1	0.1	0.2	18.8	0.3	0.0	0.0	0.2	0.0	0.0	0.6	3.0	23.1
Finance and Insurance	9.5	0.3	0.3	7.1	0.4	0.0	0.7	0.4	0.2	0.0	0.1	2.9	12.4
Health Care & Social Assistance	10.3	0.1	0.2	9.0	0.2	0.0	0.0	0.1	0.5	0.0	0.2	2.9	13.2
Hospitality (lodging, restaurants, recreation & entertainment)	7.5	0.1	0.0	7.1	0.2	0.0	0.0	0.1	0.0	0.0	0.0	2.3	9.8
Information (data processing, information services & publishing)	9.7	0.6	0.4	6.4	0.7	0.0	0.2	0.5	0.9	0.0	0.0	0.5	10.2
Professional, Scientific, and Technical Services (consulting, legal, accounting, & network services)	8.6	0.1	0.1	7.0	0.5	0.0	0.0	0.1	0.8	0.0	0.0	2.5	11.1
Public Utilities	15.1	0.1	0.7	9.5	0.8	0.0	2.6	0.6	0.2	0.2	0.4	3.0	18.1
Rental, Leasing and Real Estate	10.1	0.1	0.0	8.1	0.3	0.0	0.0	0.3	1.1	0.0	0.3	1.0	11.1
Retail Trade	7.0	0.2	0.1	5.2	0.4	0.0	0.0	0.1	0.9	0.0	0.2	3.1	10.1
Support and Management Services (management companies & administrative support)	10.0	0.0	0.2	9.0	0.0	0.0	0.4	0.4	0.0	0.0	0.0	2.9	12.9
Trade Associations, Business Federations & Chambers of Commerce	9.3	0.3	0.3	6.8	0.6	0.0	0.3	0.3	0.2	0.0	0.5	2.3	11.6
Transportation, Distribution & Warehousing	11.8	0.9	0.3	8.2	0.7	0.1	0.0	0.3	1.3	0.0	0.0	1.5	13.3
Wholesale Trade	11.7	0.2	0.3	8.4	0.6	0.0	0.6	0.6	0.6	0.0	0.4	3.6	15.3
Other Non-Manufacturing Industries**	21.6	0.0	0.3	19.8	0.6	0.0	0.7	0.1	0.0	0.0	0.0	4.3	25.9

*Other Manufacturing Industries includes Textiles & Apparel and Instruments & Related Products.

Retirement and Savings

The majority of participating companies (89%) offer retirement plan benefits to their employees. A 401(k) type plan is by far the most common type of retirement plan, offered by 83% of participating companies, while only a fourth of participants offer a defined benefits pension plan (23%) and/or a profit sharing plan (26%).

When examined by company size, 52% of companies with 5,000 or more employees tend to favor defined benefits plans as compared to only 9% of companies with less than 100 employees. The survey also found that more manufacturing companies offer profit-sharing plans than non-manufacturing (34% vs. 23%), whereas more non-manufacturing participants provided defined benefits plans than manufacturing (26% vs. 18%).

In general, larger companies are more likely to provide retirement and savings plan benefits than smaller companies, although a large majority (84%) of small companies do provide a retirement plan.

The average waiting period for the start of any retirement plan for all companies is 7.7 months, with an employee being fully vested in 4 years.

Percentage of Companies Offering Retirement and Savings Plans

	All Companies	Non-Manufacturing	Manufacturing
Offer a retirement/savings plan	89%	89%	91%
401K type plan	83%	82%	83%
Profit-Sharing Plan	26%	23%	34%
Defined Benefits Pension Plan	23%	26%	18%
Employee Stock Ownership Plan (ESOP) or stock bonus plan	9%	9%	9%
Cash Balance or other Hybrid Plans	2%	3%	2%
Other (e.g., Money Purchase Plan)	10%	11%	6%

Retirement and Savings Plan Benefits by Company Size

	Number of Employees					
	Under 100	100–499	500–999	1,000–2499	2,500–4,999	5,000+
Offer a retirement/savings plan	84%	94%	97%	92%	100%	90%
401K type plan	70%	94%	95%	96%	100%	94%
Profit-Sharing plan	27%	29%	22%	17%	5%	32%
Defined Benefits pension plan	9%	25%	46%	64%	55%	52%
Employee Stock Ownership Plan (ESOP) or stock bonus plan	5%	11%	14%	11%	15%	23%
Cash Balance or other hybrid plans	1%	2%	3%	2%	20%	13%
Other (e.g., Money Purchase plan)	12%	4%	12%	6%	30%	19%

How Employer Contributions Are Spent for Retirement and Saving Plans

	All Companies	Non-Manufacturing	Manufacturing
Defined Benefits pension plan	$1,867	$1,985	$1,410
401K type plan	$1,198	$1,244	$1,018
Profit-Sharing plan	$404	$400	$420
Cash Balance or other hybrid plans	$276	$196	$587
Employee Stock Ownership Plan (ESOP) or stock bonus plan	$283	$280	$295
Other (e.g., Money Purchase Plan)	$81	$101	$3

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The average employer cost of providing retirement and savings plan benefits among participating companies was $4,161 per employee, or 8.0% of payroll. Of these costs:

- Defined Benefits pension plans accounted for the highest average cost, an average of $1,867 per employee among **all** survey respondents. For benchmarking purposes, the average contribution by employers making Defined Benefits plan payments was $3,544 per employee, or 6.9% of payroll.
- 401(k) type plans accounted for an average of $1,198 per employee among **all** survey respondents. For benchmarking purposes, the average contribution in 2004 by employers making 401(k) contributions was $1,220 per employee, or 2.2% of payroll.
- Profit-sharing programs averaged $404 per employee among **all** survey respondents. For benchmarking purposes, the average contribution by employers making profit-sharing payments was $1,468 per employee, or 2.7% of payroll.
- Cash balance and other hybrid retirement savings plans averaged $276 per employee among **all** survey respondents. For benchmarking purposes, the average expense among companies reporting cash balance and other hybrid retirement savings plans contributions was $3,111 per employee, or 6.2% of payroll.
- Stock bonuses and Employee Stock Ownership Plans (ESOP) averaged $283 per employee among **all** survey respondents. For benchmarking purposes, the average expense among companies paying stock bonuses/ESOP was $1,753 per employee, or 5.0% of payroll.

Employer Contributions to Retirement and Savings Plans, by Company Size

	Number of Employees					
	Under 100	100–499	500–999	1,000–2499	2,500–4,999	5,000+
Defined Benefit pension plan	$488	$1,030	$2,161	$2,343	$3,540	$1,567
401K and similar	$840	$1,250	$1,096	$1,210	$1,560	$1,147
Profit-Sharing	$545	$462	$431	$275	$137	$466
Cash Balance or other hybrid plans	$36	$33	$128	$0	$388	$366
Employee Stock Ownership Plan (ESOP) or stock bonus plan	$185	$292	$124	$58	$129	$379
Other (e.g., Money Purchase Plan)	$151	$102	$134	$190	$38	$56

The average cost (as a percentage of payroll) for retirement benefits among those companies offering and able to provide a specific cost for the benefit was 8.1%. The figures below provide a breakdown of retirement payments and may be used to benchmark your actual expenditures. Additional comparisons for employer versus employee retirement payments are outlined on page 44.

Retirement Benefits Costs Among Companies Reporting Payments, as a Percentage of Payroll

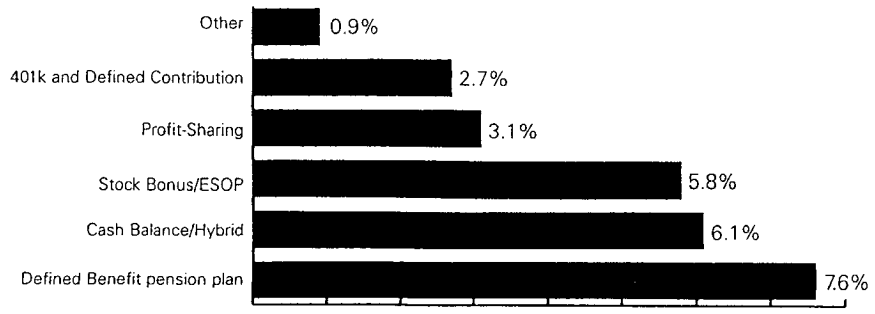

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TABLE 17

Retirement and Savings Plan Payments as Annual Dollars Per Employee, by Industry Group

Industry Group (# of Responding Companies)	Total Employer's Share	Defined Benefit Pension Plan	Cash Balance or Other Hybrid Plan	401K or Similar Payments	Profit-Sharing Payments	Stock Bonus and ESOP	Other	Costs of Plan Administration	Total Employee Payroll Deductions to Plans	Total Employer's Share Plus Employees' Payroll Deductions
Total, All Companies (722)	$4,161	$1,867	$276	$1,198	$404	$283	$81	$52	$3,041	$7,202
Total, All Manufacturing (191)	3,769	1,410	587	1,018	420	295	3	37	1,929	5,698
Chemicals (including pharmaceutical companies) (15)	4,657	1,982	0	1,832	484	167	0	192	3,517	8,174
Computer, Electronic, and Electrical Products/Components (19)	3,027	360	0	1,178	1,282	162	0	45	2,953	5,980
Fabricated Metal Products (30)	1,577	210	0	988	103	258	3	16	2,108	3,685
Food, Beverage, and Tobacco (15)	8,246	1,179	4,212	1,188	123	1,521	16	7	2,838	11,084
Industrial Machinery & Equipment (21)	2,388	1,654	0	445	233	54	0	3	1,105	3,493
Instruments and Related Products (14)	1,515	0	0	357	218	908	0	31	1,542	3,057
Non-metallic products (Rubber, Leather, Plastic, Glass, Clay) (25)	1,723	610	0	612	418	0	0	82	1,637	3,360
Primary Metal Products (Steel, Smelting & Wire drawing) (10)	3,987	2,214	0	1,753	10	0	0	10	2,594	6,581
Printing & Related Support Activities (13)	1,456	240	0	1,048	30	55	6	76	1,661	3,117
Pulp, Paper, Lumber, and Furniture (11)	3,335	2,310	0	721	161	0	6	137	2,154	5,489
Textile & Apparel (6)	4,161	2,259	0	1,467	296	0	0	139	3,737	7,898
Transportation Equipment (6)	4,466	1,432	0	2,801	153	0	0	81	2,583	7,049
Other Manufacturing Industries* (6)	3,683	2,574	0	507	603	0	0	0	89	3,772
Total, All Non-Manufacturing (531)	4,261	1,985	196	1,244	400	280	101	55	3,328	7,589
Construction (58)	3,407	1,991	0	922	72	333	56	32	2,088	5,495
Educational Services (9)	1,236	937	72	215	13	0	0	1	1,072	2,308
Finance and Insurance (104)	5,871	2,953	511	1,141	839	183	172	72	3,552	9,423
Health Care & Social Assistance (44)	4,577	779	0	3,638	142	0	0	18	7,061	11,638
Hospitality (lodging, restaurants, recreation & entertainment) (8)	393	0	0	257	131	0	0	6	601	994
Information (data processing, information services & publishing) (10)	4,798	285	0	2,539	1,788	0	64	122	5,191	9,989
Professional, Scientific, and Technical Services (consulting, legal, accounting, & network services) (39)	3,506	421	768	1,670	519	96	3	29	5,291	8,797
Public Utilities (29)	8,680	5,902	124	2,088	93	17	138	317	3,771	12,451
Rental, Leasing and Real Estate (9)	6,139	3	0	197	771	5,148	0	20	5,300	11,439
Retail Trade (42)	461	5	0	276	35	106	7	33	890	1,351
Support and Management Services (management companies & administrative support) (10)	3,790	60	2,563	1,009	0	0	0	158	2,684	6,474
Trade Associations, Business Federations & Chambers of Commerce (80)	3,790	848	7	2,483	138	88	150	78	3,587	7,377
Transportation, Distribution & Warehousing (27)	2,751	1,940	0	611	19	12	155	14	2,543	5,294
Wholesale Trade (42)	2,871	946	0	864	387	199	432	43	1,871	4,742
Other Non-Manufacturing Industries (20)	3,322	2,980	0	288	17	0	3	35	1,069	4,391

*Other Manufacturing Industries includes Textiles & Apparel and Instruments & Related Products.

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TABLE 18

Retirement and Savings Plan Payments as a Percentage of Payroll, by Industry Group

Industry Group (# of Responding Companies)	Total Employer's Share	Defined Benefit Pension Plan	Cash Balance or Other Hybrid Plan	401K or Similar Payments	Profit-Sharing Payments	Stock Bonus and ESOP	Other	Costs of Plan Administration	Total Employee Payroll Deductions to Plans	Total Employer's Share Plus Employees' Payroll Deductions
Total, All Companies (722)	8.0%	3.6%	0.5%	2.2%	0.7%	0.8%	0.1%	0.1%	5.6%	13.6%
Total, All Manufacturing (191)	8.2	3.0	1.4	2.1	0.9	0.7	0.0	0.1	3.7	11.9
Chemicals (including pharmaceutical companies) (15)	7.2	3.0	0.0	2.9	0.7	0.3	0.0	0.3	5.4	12.6
Computer, Electronic, and Electrical Products/Components (19)	5.8	0.6	0.0	2.1	2.6	0.3	0.0	0.1	5.6	11.4
Fabricated Metal Products (30)	3.2	0.5	0.0	2.1	0.2	0.3	0.0	0.0	4.6	7.8
Food, Beverage, and Tobacco (15)	18.0	1.7	9.9	2.5	0.2	3.6	0.0	0.0	6.1	24.1
Industrial Machinery & Equipment (21)	3.7	2.5	0.0	0.7	0.4	0.1	0.0	0.0	1.8	5.5
Instruments and Related Products (14)	4.1	0.0	0.0	0.8	0.4	2.8	0.0	0.1	3.4	7.5
Non-metallic products (Rubber, Leather, Plastic, Glass, Clay) (25)	3.6	1.1	0.0	1.4	1.0	0.0	0.0	0.2	3.8	7.4
Primary Metal Products (Steel, Smelting & Wire drawing) (10)	7.9	4.3	0.0	3.5	0.0	0.0	0.0	0.0	5.2	13.1
Printing & Related Support Activities (13)	3.0	0.5	0.0	2.1	0.1	0.1	0.0	0.2	4.0	7.0
Pulp, Paper, Lumber, and Furniture (11)	6.8	4.7	0.0	1.4	0.3	0.0	0.0	0.3	4.1	10.9
Textile & Apparel (6)	7.6	4.4	0.0	2.2	0.7	0.0	0.0	0.3	6.2	13.8
Transportation Equipment (6)	9.0	2.4	0.0	6.0	0.4	0.0	0.0	0.1	5.4	14.4
Other Manufacturing Industries* (6)	11.9	8.4	0.0	1.6	2.0	0.0	0.0	0.0	0.2	12.1
Total, All Non-Manufacturing (531)	8.0	3.7	0.3	2.2	0.7	0.8	0.1	0.1	6.1	14.1
Construction (58)	6.3	3.6	0.0	1.8	0.2	0.5	0.1	0.1	4.2	10.5
Educational Services (9)	3.7	2.9	0.2	0.5	0.0	0.0	0.0	0.0	4.3	8.0
Finance and Insurance (104)	9.0	4.5	0.8	1.8	1.3	0.3	0.2	0.1	5.2	14.2
Health Care & Social Assistance (44)	8.7	1.5	0.0	7.0	0.2	0.0	0.0	0.0	13.2	21.9
Hospitality (lodging, restaurants, recreation & entertainment) (8)	1.4	0.0	0.0	1.0	0.4	0.0	0.0	0.0	2.4	3.8
Information (data processing, information services & publishing) (10)	5.6	0.5	0.0	2.8	1.9	0.0	0.1	0.2	5.8	11.4
Professional, Scientific, and Technical Services (consulting, legal, accounting, & network services) (39)	5.6	0.5	1.5	2.5	1.0	0.1	0.0	0.0	7.8	13.4
Public Utilities (29)	13.7	8.9	0.3	3.6	0.2	0.0	0.2	0.5	6.2	19.9
Rental, Leasing and Real Estate (9)	20.6	0.0	0.0	0.4	2.6	17.5	0.0	0.1	17.2	37.8
Retail Trade (42)	1.2	0.0	0.0	0.7	0.1	0.3	0.0	0.1	2.2	3.4
Support and Management Services (management companies & administrative support) (10)	9.7	0.1	6.7	2.4	0.0	0.0	0.0	0.4	6.4	16.1
Trade Associations, Business Federations & Chambers of Commerce(80)	5.8	1.3	0.0	3.8	0.2	0.2	0.2	0.1	5.7	11.5
Transportation, Distribution & Warehousing (27)	4.3	2.8	0.0	1.2	0.0	0.0	0.3	0.0	5.2	9.5
Wholesale Trade (42)	6.4	1.9	0.0	2.1	0.9	0.7	0.6	0.1	4.4	10.8
Other Non-Manufacturing Industries (20)	9.0	8.2	0.0	0.7	0.0	0.0	0.0	0.1	2.5	11.5

*Other Manufacturing Industries includes Textiles & Apparel and Instruments & Related Products.

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Employee Contributions

Overall, employees contributed 15.7% of payroll to their benefits. This amount is separate from the overall 40.3% of payroll payments made by the employer. Employer versus employee contributions to medical and retirement benefits are outlined in the tables below.

Medical Benefits Costs and Contributions Among Employers and Employees Reporting Payments

		Average Employer Payment		Average Employee Payment		
	Number of Companies Reporting	Dollars Per Employee ($)	Percent of Payroll (%)	Dollars Per Employee ($)	Percent of Payroll (%)	Total Medical Benefit Cost Per Employee ($)
Total, Medical (among those reporting payments)	707	$5,790	11.9%	$1,355	2.9%	$7,125
Hospital, surgical, medical, and major medical insurance	702	4,426	9.4	1,009	2.2	5,435
HMO plan only	66	3,972	8.9	799	1.7	4,771
PPO plan only	341	3,576	7.5	881	2.0	4,457
Point of Service plan	25	1,456	4.0	1,197	3.3	2,653
Indemnity plan only	15	7,540	13.5	1,136	2.0	8,676
Dental Insurance	568	266	0.5	104	0.2	370
Vision care	341	20	0.04	20	0.04	40
Retiree health insurance	196	507	0.9	134	0.3	641
Life insurance	632	153	0.3	51	0.1	204
Prescription drug coverage	620	272	0.5	24	0.05	296
Health Plan Administration	219	186	0.4	N/A	N/A	186
Short-term disability	469	142	0.3	17	0.04	159
Long-term disability	513	142	0.3	28	0.05	170

Retirement Costs and Contributions Among Employers and Employees Reporting Payments

		Average Employer Payment		Average Employee Payment		
	Number of Companies Reporting	Dollars Per Employee ($)	Percent of Payroll ($)	Dollars Per Employee ($)	Percent of Payroll (%)	Total Medical Benefit Cost Per Employee ($)
Total, Retirement (among those reporting payments)	663	$4,175	8.1%	$3,051	5.6%	$7,226
Defined Benefit pension plan	154	3,993	7.6	—	—	3,993
401K and Defined Contribution	590	1,455	2.4	3,243	6.0	4,698
Cash Balance/Hybrid	15	3,086	6.1	—	—	3,086
Profit-Sharing	144	1,698	3.1	—	—	1,698
Stock Bonus/ESOP	40	2,058	5.8	—	—	2,058
Other	60	520	0.7	302	0.6	822

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TABLE 19

Employee Contributions as a Percentage of Payroll, by Industry Group

Industry Group	Total	Federally-required payroll taxes	Medical and Medically-Related Benefits, Payments, including Life Insurance Premiums	Retirement and Savings Plan Payments	Miscellaneous	Total Annual Dollars Per Employee ($)
Total, All Companies	15.7%	7.2%	2.8%	5.6%	0.0%	$8,036
Total, All Manufacturing	13.7	7.3	2.6	3.7	0.0	6,644
Chemicals (including pharmaceutical companies)	14.6	6.7	2.5	5.4	0.0	9,280
Computer, Electronic, and Electrical Products/Components	16.5	8.2	2.6	5.6	0.1	8,860
Fabricated Metal Products	16.5	7.5	4.5	4.6	0.0	7,771
Food, Beverage, and Tobacco	15.6	7.4	2.2	6.1	0.0	7,355
Industrial Machinery & Equipment	8.8	6.6	0.5	1.8	0.0	5,659
Instruments and Related Products	15.3	7.4	4.5	3.4	0.0	5,723
Non-metallic products (Rubber, Leather, Plastic, Glass, Clay)	12.6	7.2	1.6	3.8	0.0	5,315
Primary Metal Products (Steel, Smelting & Wire drawing)	15.1	6.7	3.2	5.2	0.0	7,426
Printing & Related Support Activities	15.1	7.8	3.4	4.0	0.0	5,953
Pulp, Paper, Lumber, and Furniture	13.7	7.5	2.2	4.1	0.0	6,248
Textile & Apparel	17.6	8.5	2.8	6.2	0.0	10,451
Transportation Equipment	13.6	6.6	1.5	5.4	0.0	6,469
Other Manufacturing Industries*	12.1	7.5	4.4	0.2	0.0	3,813
Total, All Non-Manufacturing	16.2	7.2	2.9	6.1	0.0	8,396
Construction	14.9	7.6	3.1	4.2	0.0	7,086
Educational Services	14.5	7.1	3.0	4.3	0.0	3,780
Finance and Insurance	14.8	6.6	2.9	5.2	0.0	9,722
Health Care & Social Assistance	23.3	7.2	2.9	13.2	0.0	11,610
Hospitality (lodging, restaurants, recreation & entertainment)	12.9	8.3	2.3	2.4	0.0	3,038
Information (data processing, information services & publishing)	13.8	7.5	0.5	5.8	0.0	12,189
Professional, Scientific, and Technical Services (consulting, legal, accounting, & network services)	17.6	7.3	2.5	7.8	0.0	11,272
Public Utilities	16.4	7.2	3.0	6.2	0.0	9,706
Rental, Leasing and Real Estate	25.0	6.8	1.0	17.2	0.0	7,918
Retail Trade	11.9	6.5	3.1	2.2	0.0	4,670
Support and Management Services (management companies & administrative support)	16.4	7.1	2.9	6.4	0.0	6,971
Trade Associations, Business Federations & Chambers of Commerce	15.3	7.3	2.3	5.7	0.1	9,601
Transportation, Distribution & Warehousing	14.6	7.9	1.5	5.2	0.0	7,287
Wholesale Trade	16.0	8.0	3.6	4.4	0.0	6,654
Other Non-Manufacturing Industries	14.4	7.7	4.3	2.5	0.0	5,397

*Other Manufacturing Industries includes Textiles & Apparel and Instruments & Related Products.

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How Your Company's Benefits Costs Measure Up

A copy of the instructions and survey questionnaire used to conduct the *Study* is reproduced following this section. To determine how your company's benefits costs measure up, complete the survey based on your company's 2004 payroll and expenditures. Next, complete lines 1 through 4 below and perform the listed calculations. Finally, compare your calculated figures to the findings of the *Study*.

1. **Average hours per week worked by a typical full-time employee in 2004:** (Fifth line from the bottom on the first page of the survey): _____ hours
2. **Full-Time Equivalent Employees** (Second line from the bottom on the first page): $_____
3. **Total Gross Payroll** (Last line on the first page): $_____
4. **Total Employer Benefits Payments** (Line 35 on the last page of the survey): $_____

Percentage of Payroll Spent on Employee Benefits

To calculate the cost of employee benefits as a percent of payroll, divide **Total Employer Benefit Payments** (line 4 above) by **Total Gross Payroll** (line 3 above):

$$\frac{\text{Total Employer Benefit Payments}}{\text{Total Gross Payroll}} = _____\%\ \text{Percent of Payroll Spent on Employee Benefits}$$

Annual Dollars Spent on Benefits Per Employee

To calculate the cost of employee benefits as annual dollars per employee, divide **Total Employer Benefit Payments** (line 4 above) by **Full-Time Equivalent Employees** (line 2 above):

$$\frac{\text{Total Employer Benefit Payments}}{\text{Full-Time Equivalent Employees}} = \$_____\ \text{Annual Dollars Spent on Benefits per Employee}$$

Cents Per Payroll Hour Spent on Employee Benefits

To calculate the cost of employee benefits as cents per payroll hour, first calculate **Total Payroll Hours** by multiplying **Full-Time Equivalent Employees** (line 2 above) by **Average Weekly Hours** (line 1 above), and then by 52, to account for all 52 weeks of the year.

Full-Time Equivalent Employees x Average Weekly Hours x 52 weeks = _____ Total Payroll Hours

Next, divide **Total Employer Benefit Payments** (line 4 above) by **Total Payroll Hours** (calculated above):

$$\frac{\text{Total Employer Benefit Payments}}{\text{Total Payroll Hours}} = _____\ ¢\ \text{Cents per Payroll Hour Spent on Employee Benefits}$$

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Definitions

The *Employee Benefits Study* includes both **benefits** (such as health insurance, contributions to retirement and savings plans, vacation and sick leave) and **legally required payments** (such as Social Security payroll tax, unemployment insurance tax, and state workers' compensation insurance premiums). Total benefit costs in this study include legally required payments.

- **Pay** is defined simply as gross payroll. In some cases, certain benefits are also a part of gross payroll (e.g., vacation pay, holiday pay, sick leave). For example, sick leave, when presented as a percentage of payroll, is a part of both the numerator and the denominator in the equation.
- **Per Employee** figures are based on the total number of 2004 full-time equivalent employees as reported by the survey respondents. For example, where a full-time worker averages 40 hours a week, two workers averaging 20 hours a week are considered one full-time equivalent employee.
- **Total Gross Payroll** includes total actual wages prior to employee deductions (such as taxes and employee contributions to 401(k) plans), bonuses and commission.
- For the majority of the analysis, benefits are analyzed in terms of average benefit *per employee* rather than *per employer*. To illustrate the significance of this distinction, consider an example computation of average sick leave pay provided by two employers.
  - Employer A has 100 full-time employees and provides $500 sick leave pay per employee.
  - Employer B has 10 full-time employees and provides $100 sick leave pay per employee.

Average sick leave pay provided to the typical employee	Average sick leave pay provided by the typical employer
($500 x 100 employees) + ($100 x 10 employees) / 110 total employees	($500 + $100) / 2 employers
= $460 sick leave pay per employee	= $300 sick leave pay per employee

Thus, our analysis computes the average for each benefit by weighting the benefits provided by the number of full-time equivalent employees.

- For companies not offering a benefit, the total cost of providing that benefit was considered to be $0. Therefore, the "average" cost of providing a benefit within any given survey group will be lowered proportionately by the number of companies within that group which do not offer that benefit at all. In this sense, the survey reports the actual average amount received across all employees within that group, not the average amount provided by employer firms offering that benefit.

The following are definitions of benefits terms used throughout the *Study*. Please reference the instructions and survey on pages 49-54 for additional definitions and to help augment your understanding of concepts.

- **Cafeteria plan:** a plan in which participants are allowed to choose from two or more benefits with taxable or nontaxable compensation elements.
- **Cash balance plan:** a defined benefit plan that meets the funding and legal requirements for a defined contribution plan. The plan credits benefits to interest-bearing accounts for participants, translating to a defined benefit on retirement.
- **Defined benefit plan:** a retirement plan which makes available a predetermined sum of retirement income, typically based on actuarial elements, e.g., length of service, salary and retirement age.
- **Defined contribution plan:** a qualified retirement plan in which specified contributions are made to the individual accounts of participants, with benefits based solely on those contributions and their investment performance.
- **Employee Stock Ownership Plan (ESOP):** an individual account plan that provides shares of stock in the sponsoring company to participating employees' retirement plans.
- **Flexible Spending Accounts:** allow employees to have pretax dollars withheld from their salaries to pay for un-reimbursed deductibles, co-pays, and other expenses not covered by participants' health care plans.
- **Health Maintenance Organization (HMO):** a prepaid managed medical plan that provides specified services to enrolled members through designated hospitals and doctors for a fixed premium per person.
- **Health Savings Accounts:** tax-free savings accounts that must be combined with a qualified high-deductible health plan. They allow workers under age 65 to accumulate tax-free savings that can only be spent on medical expenses.
- **Indemnity plan:** a health insurance program that provides specific cash reimbursements for covered services. Payments may be made directly to the patient or assigned to a provider.
- **Money purchase plan:** a defined contribution plan where employer contributions are usually determined as a fixed percentage of pay and allocated to participants' accounts.
- **Point of Service (POS):** a health plan that allows members to choose to receive services from a participating or nonparticipating network provider, usually with a financial disincentive for going outside the network.
- **Preferred Provider Organization (PPO):** a managed health care plan in which a network of physicians and other service providers (e.g., hospitals and labs) agrees to serve a group of employees in a fee-for-service arrangement, usually at discounted rates based on volume purchasing power.
- **Profit-Sharing plan:** a defined contribution plan where contributions are allocated among participants' accounts according to an established formula, with payment based on age, fixed number of years or occurrence of an event such as disability.
- **Employee stock ownership or bonus plan:** a type of qualified defined contribution plan established and maintained by an employer to provide benefits similar to a profit sharing plan, except that benefits are generally paid in the form of the employer's stock.
- **Vested:** refers to the employee's right to receive the full value of the account. (For example, individuals who are 100 percent vested can withdraw all of the funds that are set aside for them in a retirement fund, although taxes may be due on any funds that are actually withdrawn.)

USCC 56585

2005 Employee Benefits Survey

2005 EMPLOYEE BENEFITS SURVEY (reporting data from calendar/fiscal year 2004)
INSTRUCTIONS

This survey is confidential. Data from individual firms will not be disclosed. Data will be published only in the aggregate for groups of companies. Only persons handling the research will see your responses.

A. **Coverage:** Use year end figures, either fiscal or calendar 2004. Note: Include data for *all* employees *except* officers of the company, or similar executives who receive dramatically different compensation packages than the average employee at your company.

B. **Approximate or incomplete data:** If you are unable to give an exact cost of a benefit program that your company offers, please give your best estimate – an estimate is much better than a zero! Where possible, guidelines for estimating costs are provided.

C. **Cost for benefits not offered:** If your company DOES NOT offer a benefit listed on the survey, please enter a "0" in the amount box. If data cannot be provided, write "missing".

D. **Instructions for specific questions:** A footnote after a question indicates that further instructions are provided below.

Section B

*Industry: Visit http://www.census.gov/epcd/naics02/naicod02.htm#N11 for a complete guide in determining your company's industry.

[1] **Average number of employees:** Do not include data for officers or similar executives if their compensation package is drastically different than the average employee at your company.

[2] **Full-time equivalent employees:** A full-time equivalent employee is a worker who averages 40 hours per week, or a combination of part-time workers who average a combined 40 hours per week (e.g., 2 part-time workers who average 20 hours per week are considered as one full-time equivalent employee).

[3] **Total Gross Payroll (Required):** Report total 2004 year-end payroll prior to any deductions, including bonuses and commission (e.g., deductions for taxes, 401(k) plans), not "take-home pay".

Section C

[4] **Workers' compensation:** If your company is self-insured, report total amount of actual disbursements and/or state assessments.

[5] **Other legally-required payments:** Examples of other legally-required payments may include State and Local payroll and Federal Railroad Retirement taxes.

Section D

[6] **Cafeteria plans or mixed benefit:** If you have a cafeteria plan, allocate costs based on the proportional sharing of costs under the cafeteria program. For example, if the total cost for the cafeteria program was $1,000,000 and the employer's contribution was $800,000, the employer's share for each of the programs should be prorated at 80% of the program cost, and the employees' share would be 20% of the program cost.

Section E

[7] **Estimation guidelines for holidays, sick days, and paid days off:** If you are unable to provide actual figures for paid day off expenses (e.g., holiday, sick day) please estimate each paid day off as .00385 x (multiplied by) total gross payroll.

[8] **Leave benefits:** Complete the sections that best describe your leave policies. If your company provides "personal leave days", include the number and costs of personal days in paid time off or sick leave.

[9] **Paid rest periods:** Estimate the cost of paid breaks for **hourly employees only** as 2% of gross hourly payroll for each 10-minute rest period of a typical hourly worker on a typical day. Report these costs whether or not there is a formal rule providing for such periods.

Section F

[10] **Short-term disability, sickness or accident insurance:** If your company pays actual costs rather than insurance premiums, please report your total actual expenditures for 2004.

[11] **Long-term disability or wage continuation:** Report actual 2004 expenditures, whether from insurance costs, self-administered, or trust program.

[12a] **Hospital, surgical, medical, and major medical insurance:** Report total company payments and employee payroll deductions for premiums and/or expenses (except administration) related to hospital, surgical, medical, and major medical insurance including coverage through HMO, PPO, point of service, indemnity, or self-insured plans.

[12a-12f] Please complete both sections; enter "0" if you do not contribute toward the cost of benefit; leave cost blank if you contribute or pay for benefit in full but cannot provide a separate cost for the item. Do not repeat figures included elsewhere.

[12e] **Life insurance:** Report total net payments for life insurance coverage as well as death benefit payments made that were not covered by insurance. Exclude premiums for life insurance purchased under a pension plan, as they should be reported as part of pension plan expenses.

[13] **Health care premiums:** If your company does not pay a defined percentage of health care costs, please estimate the average company contribution as a percent of health care premium cost for a typical employee. Example: If the company pays for the entire cost of health care for employees, 50% of family costs, but does not offer separate policies for dependents, the response would be: Employee 100%; Spouse/Partner N/A; Child N/A; Family 50%.

Section G

[14] **Note:** For retirement plan expenses, report 2004 payments made into the fund(s), NOT fund(s) totals.

[15] **Defined benefit pension plans:** Defined benefit pension plans (i.e., plans insured by the Pension Benefit Guaranty Corporation) involve a promise to pay a fixed level of benefits on retirement. Report net payments after deducting any dividends or credits returned to employer by insurer.

[16] **Other retirement and savings plan payments:** Examples of other expenses may include non-qualified deferred compensation plans.

For assistance in completing the survey,
or if you have suggestions for improvement, please call 202-463-5989 or
e-mail: ebstudy@uschamber.com

USCC 56586

2005 Employee Benefits Study (reporting data from calendar/fiscal year 2004)

U.S. Chamber of Commerce Statistics and Research Center

Write answers clearly, and fill in response bubbles completely. Footnotes indicate that further guidance is provided in attached instruction sheet - please review carefully.

A. CONTACT INFORMATION (for office purposes only) *Note: Your complimentary copy of the Study will be sent to your attention at this address.*

Name:

Company:

Telephone Number: E-mail:

Address:

City: State: Zip Code:

May we include your company name in an alphabetic list of participants? O Yes O No

B. ABOUT YOUR COMPANY

Please fill in the bubble that best describes the industry which provides the greatest portion of your company's revenues.*

Please mark only ONE industry.

Non-Manufacturing

- O Retail Trade
- O Health Care & Social Assistance
- O Hospitality (lodging, restaurants, recreation & entertainment)
- O Wholesale Trade
- O Finance & Insurance
- O Construction
- O Transportation, Distribution & Warehousing
- O Rental, Leasing & Real Estate
- O Public Utilities
- O Educational Services
- O Trade Associations, Business Federations & Chambers of Commerce
- O Information (data processing, information services & publishing)
- O Support & Management Services (management companies & administrative support)
- O Professional, Scientific & Technical Services (consulting, legal, accounting & network services)
- O Other non-manufacturing industry

Manufacturing

- O Printing & related support activities
- O Industrial Machinery & Equipment
- O Computer, Electronic & Electrical Products/Components
- O Transportation Equipment
- O Fabricated Metal Products
- O Pulp, Paper, Lumber & Furniture
- O Food, Beverage & Tobacco
- O Textile & Apparel
- O Non-metallic Products (rubber, leather, plastic, glass, clay, stone & concrete)
- O Primary Metal Products (including steel, smelting & wire drawing)
- O Chemicals (including pharmaceuticals)
- O Instruments & Related Products
- O Other manufacturing industry

Please summarize your company's major line of business:

Is your company organized under a nonprofit tax status? (e.g., 501c, 501c3) O Yes O No

In which geographic area do the majority of your employees work? Please mark only ONE region

- O New England (ME, VT, NH, MA, CT, RI)
- O Middle Atlantic (NY, PA, NJ)
- O East North Central (WI, IL, MI, IN, OH)
- O West North Central (ND, SD, NE, KS, MN, IA, MO)
- O South Atlantic (WV, VA, MD, DE, DC, NC, SC, GA, FL)
- O East South Central (KY, TN, MS, AL)
- O West South Central (TX, OK, AR, LA)
- O Mountain (MT, ID, WY, NV, UT, CO, AZ, NM)
- O Pacific (WA, OR, CA, HI, AK)
- O Employees not centralized in any one area

Do the majority of your employees work in a metropolitan area? O Yes O No

Average number of employees (non-officer[1]) throughout 2004 for whom you are reporting data (include exempt employees):

Full-time: , , Part-time: , ,

Average hours per week worked by a typical employee in 2004:

Full-time: Part-time:

Total 2004 *full-time equivalent employees*[2] included in your survey data ____ , ,
(NOTE: This number should be equal to or less than the average number of employees reported above)

Total 2004 Gross Payroll[3] (actual wages, including bonuses & commission) ____ $, , ,

Report total payroll disbursements prior to employee deductions of all income and payroll taxes, and pay deferral programs (such as 401(k) plans and other deductions).

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For all figures, provide total year-end 2004 expenses (either fiscal or calendar 2004, whichever is easier for you).

C. LEGALLY-REQUIRED PAYMENTS (Please do not include income taxes in any of these calculations)

	Employee Share	Employer Share
1. **Federally-required payroll taxes** (i.e., Social Security/Medicare/FICA taxes) Note: Employee & Employer shares should each equal approximately 7.65% of payroll. EXCLUDE income tax.	$ ___,___,___	$ ___,___,___
2. **Federal & state unemployment employer payments** (e.g., taxes, penalties, assessments)		$ ___,___,___
3. **Workers' compensation employer payments**[4] (e.g., insurance premiums, taxes, penalties, assessments)		$ ___,___,___
4. **Other**[5] e.g., state and local payments (EXCLUDE income tax)	$ ___,___,___	$ ___,___,___

Description of "other" costs: _____

I. Total employer legally-required benefit payments: (Total of lines 1-4, employer's share only) $ ___,___,___,___

D. OVERALL BENEFITS

5. Which of the following best describes your company's employee benefit offerings?[6]

- O None offered beyond legally-required benefits
- O Fixed benefit plan
- O Cafeteria plan (allow employees to choose between benefits and/or benefit plans)
- O Mixed benefit package (part of the benefits package is fixed and part is cafeteria)

6. Which of the following benefits do you offer to your workers? *Mark all that apply*

	Full-time workers	Part-time workers		Full-time workers	Part-time workers
Paid holidays	O	O	Health insurance	O	O
Paid vacation	O	O	Dental insurance	O	O
Paid sick leave	O	O	Vision insurance	O	O
Short-term disability	O	O	Life insurance	O	O
Long-term disability	O	O	Retirement plan(s)	O	O

E. PAYMENTS FOR TIME NOT WORKED

7. Please indicate what types of paid leave benefits (other than holidays) that your company offers:

a. O None - our company does not offer ANY paid time off benefits. Please skip to Question 8 on the next page

PAID TIME OFF PLAN

b. O Paid time off plan (i.e., combined vacation, sick, and personal leave account)

Total actual payments for paid time off plan in 2004[7, 8] (Include expenses for paid time off paid for, but not taken) _____ Employer Share $ ___,___,___

How many annual days would a typical employee with the following years of service at your company receive in his/her paid time off account? (not including floating holidays)

1 year: ___ days 5 years: ___ days 10 years: ___ days 15 years: ___ days 20 years: ___ days

OR

TRADITIONAL VACATION AND SICK LEAVE PLAN

c. O Paid vacation (other than paid time off plan)

Total actual payments for paid vacation in 2004[7, 8] (Include expenses for vacation time paid for, but not taken) _____ $ ___,___,___

How many annual vacation days would a typical employee with the following years of service at your company receive? (Include personal days, but not floating holidays)

1 year: ___ days 5 years: ___ days 10 years: ___ days 15 years: ___ days 20 years: ___ days

d. O Paid sick leave (other than paid time off plan)

Total actual payments for sick leave in 2004[7, 8] (Include expenses for sick and personal leave paid for, but not taken) _____ $ ___,___,___

What was the average number of sick days and personal leave GIVEN ___ **and TAKEN** ___ **per employee in 2004?**

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Employer Share

8. Total payments made for (or in lieu of) holidays [7, 8] _____ $ ___,___,___

a. How many paid holidays (including floating holidays) did your firm recognize in 2004? _____ ___ holidays

9. Paid rest periods for hourly employees [9]
(e.g., coffee breaks, lunch periods, wash-up time, etc.) _____ $ ___,___,___

10. Family and medical leave payments (e.g., maternity and paternity leave) _____ $ ___,___,___

11. Other payments for time not worked (e.g., jury duty, military leave, bereavement, etc.) _____ $ ___,___,___

Description of "other" costs: _____

II. Total employer payments for time not worked benefits:
(Total of lines 7b, 7c, 7d, 8, 9, 10 and 11, employer's share only) _____ $ ___,___,___,___

F. MEDICAL AND MEDICALLY-RELATED BENEFITS (INCLUDING LIFE INSURANCE AND DEATH BENEFITS)

	Not offered	Yes, cost is listed at right	Yes, but costs included in sick pay	Yes, but costs included in medical	Employee	Employer
12. Short-term disability, sickness or accident insurance [10]	O	O	O	O	$ ___,___,___	$ ___,___,___
13. Long-term disability or wage continuation [11]	O	O	O	O	$ ___,___,___	$ ___,___,___

14. Which of the following medically-related benefits do you offer? **Mark all that apply**

- O HMO plan
- O PPO health insurance plan
- O Point of service plan
- O Indemnity health insurance plan
- O Alcohol and drug abuse treatment
- O Medical savings accounts
- O Medical spending or reimbursement accounts
- O Long term care insurance
- O Chiropractic care
- O Alternative forms of medical care (e.g., homeopathy, herbal therapies)
- O Coverage for retirees under 65
- O Mental health coverage on a parity basis to physical health benefits
- O Coverage for unmarried domestic partners O opposite sex O same sex

15. Please indicate the amount spent by your company in 2004 on each of the following medical and life insurance benefits:
Note: If you are unable to separate your medical expenses, please mark "cannot break out costs" and report all these combined expenses on line 15a.

Does your firm offer:	Not offered	Yes, cost is listed at right	Yes, but cannot break out costs	Employee Share	Employer Share
a. Hospital, surgical, medical, and major medical insurance [12a]	O	O	O	$ ___,___,___	$ ___,___,___
b. Dental insurance [12b]	O	O	O	$ ___,___,___	$ ___,___,___
c. Vision care [12c]	O	O	O	$ ___,___,___	$ ___,___,___
d. Retiree health insurance [12d]	O	O	O	$ ___,___,___	$ ___,___,___
e. Life insurance premiums and death benefits [12e]	O	O	O	$ ___,___,___	$ ___,___,___
f. Prescription drug coverage [12f]	O	O	O	$ ___,___,___	$ ___,___,___

If offered, who else is covered by prescription drug coverage? **Mark all that apply**
O Current employees' spouse and family O Past employees O Retirees under 65 O Retirees 65 or older

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16. Does your firm self-administer any part of its health plans? O No O Yes, self administer ALL O Yes, self administer SOME

a. Cost of health plan administration *(leave blank if included elsewhere)* _____ $ ___,___,___

17. Does your firm use any of the following cost-control methods? ***Mark all that apply***

- O Pre-admission certification
- O Mail-order pharmacy
- O Pharmacy benefit manager
- O Behavioral health services manager
- O Self-insure or fully insure any of your health benefits
- O Participate in a group purchasing arrangement for either medical services or medical insurance with other firms

18. What is the waiting period for health insurance coverage?

Full time employees:	O None	O Up to 1 month	O >1 month, up to 3 months	O >3 months up to 6 months	O >6 months
Part time employees:	O None	O Up to 1 month	O >1 month, up to 3 months	O >3 months up to 6 months	O >6 months

19. How are employee premium costs paid? (Not including spouse and/or family)

O Fully paid by the employer O Proportional shared cost (employer & employee each pay a set percentage)

O Defined dollar contribution by the employer (employer pays a set dollar amount) O Defined dollar contribution by the employee (employee pays a set dollar amount)

O Other (please specify): _____

20. Please indicate the percent of health care premium/costs which the company pays for each of the following:[13]

If you do not offer a policy coverage option corresponding to a choice below, please write "N/A" for that choice. Write "100" if employer pays the full premium.

% Company pays for Employee: ___ % **% Company pays for Spouse/Partner:** ___ % **% Company pays for Child:** ___ % **% Company pays for Family:** ___ %

21. Other medical benefits not included elsewhere (please specify) _____

Employee Share: $ ___,___,___ **Employer Share:** $ ___,___,___

III. Total employer payments for medically-related benefits:
(Total of lines 12, 13, 15a, 15b, 15c, 15d, 15e, 15f, 16a, and 21 - employer's share only) _____ $ ___,___,___,___

G. RETIREMENT & SAVINGS[14]

Which of the following types of savings and pension plans do you offer?

22. Defined contribution and 401(k) and 401(k) type plans
(e.g., 403(b), 457)[14] _____ O Yes O No

Employee Share	Employer Share
$ ___,___,___	$ ___,___,___

23. Profit-sharing plan[14] _____ O Yes O No $ ___,___,___

24. Employee stock ownership plan (ESOP) or stock bonus plan[14] _____ O Yes O No $ ___,___,___

25. Cash balance or other hybrid plans[14] _____ O Yes O No $ ___,___,___

26. Defined benefit pension plan[14, 15] (but not cash balance plans) _____ O Yes O No $ ___,___,___

27. Other retirement and savings plan[14, 16] (e.g., Money purchase plan) _____

Employee Share: $ ___,___,___ **Employer Share:** $ ___,___,___

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28. Do you outsource the management of any of your retirement plans?[14] O Yes O No

a. Cost of plan(s) administration: _____ $ ___,___,___

b. Minimum waiting period for the start of any retirement plan (service year requirement): _____ ___ months

c. Number of years before an employee is fully vested in your retirement program: _____ ___ years

IV. Total employer payments for retirement and savings plans: $ ___,___,___,___
(Total of lines 22, 23, 24, 25, 26, 27 and 28a - employer's share only) _____

H. MISCELLANEOUS BENEFIT PAYMENTS

29. Which of the following flexible benefit programs do you offer? **Mark all that apply**

O Flexible Spending Accounts (pre-tax) for transportation
O Flexible/Compressed Work Schedules
O Flexible Spending Accounts (pre-tax) for child/dependent care

	Employer Share
30. Severance pay _____	$ ___,___,___
31. Employer dependent care contributions (including on-site and third party expenses) _____	$ ___,___,___
32. Employee tuition reimbursement _____	$ ___,___,___
33. Employee relocation reimbursement _____	$ ___,___,___

34. Other employee benefits (please specify) _____

Employee Share: $ ___,___,___ Employer Share: $ ___,___,___

V. Total employer payments for miscellaneous benefit payments: $ ___,___,___,___
(Total of lines 30, 31, 32, 33 and 34, employer's share only) _____

I. BENEFIT PAYMENTS: GRAND TOTALS

35. *Employer* benefit payments - GRAND TOTAL: _____ $ ___,___,___,___
Total of lines I, II, III, IV, and V.

36. *Employee* benefit contributions - GRAND TOTAL: _____ $ ___,___,___,___
Total of lines 1, 4, 12, 13, 15a, 15b, 15c, 15d, 15e, 15f, 21, 22, 27, and 34 employee's share only

J. ADDITIONAL COMMENTS

37. If you experienced any large unusual benefit costs and/or refunds in 2004 (e.g., one-time retirement plan contribution; large layoff of employees), or have any comments in regard to this survey, please note in the space below or attach a separate sheet.

THANK YOU FOR YOUR PARTICIPATION!

You will receive a complimentary copy of the *Study* report when it is published.

Please note, we may need to contact you for any clarification necessary. Please retain a copy of this survey for your records and to evaluate your results with those published in the Study.

Surveys must be returned by **Friday, April 15, 2005:**

by FAX: **(202) 463-5608 or (202) 463-3160**

by MAIL: U.S. Chamber of Commerce, Business Information and Development
1615 H Street, N.W. Washington, D.C. 20062-2000

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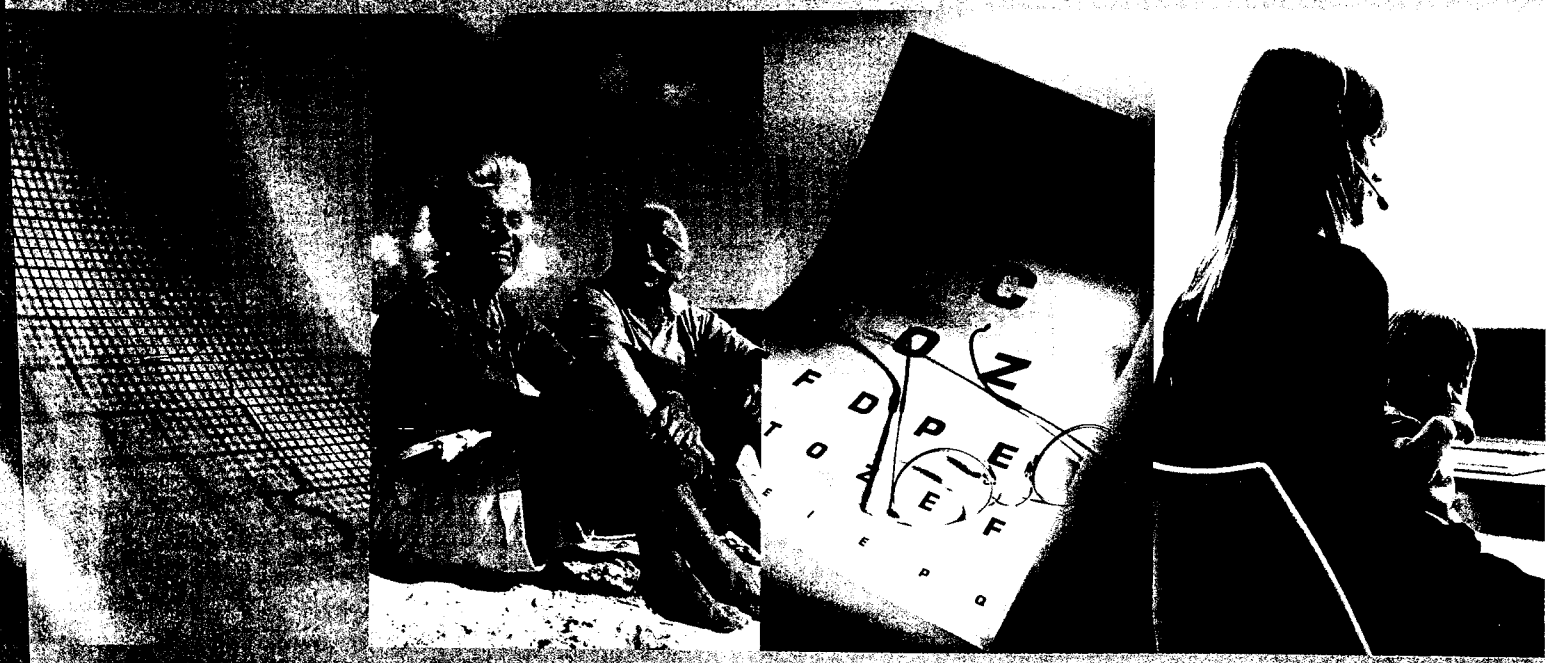
EXHIBIT 8

EMPLOYEE BENEFITS STUDY



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Offered by Opposer, The Chamber of Commerce of the United States of America

The Chamber of Commerce of the United States of America v. United States Hispanic Chamber of Commerce Foundation
Opposition Number 91/156,321

USCC 56595

THE SPIRIT OF ENTERPRISE
U.S. CHAMBER OF COMMERCE

EMPLOYEE BENEFITS STUDY

2006

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Introduction

The U.S. Chamber of Commerce is pleased to present the *2006 Employee Benefits Study* (43rd edition). This report details the benefits that U.S. employers provided their employees in addition to wages for calendar/fiscal year 2005. As the world's largest business federation, the U.S. Chamber of Commerce is the leading advocate for free enterprise and the business community. In support of that mission, the U.S. Chamber's Statistics and Research Center regularly collects, analyzes, and distributes statistics of significance to the U.S. business community.

The *2006 Employee Benefits Study* is designed to provide accurate and authoritative information on the actual value of benefits provided by employers to employees. The *Study* is useful for a wide range of practical and academic applications. For example, recruitment specialists will find the *Study* to be an invaluable reference tool for assessing the competitiveness of a total compensation package *vis-à-vis* the employment marketplace as a whole. Business owners and executives can use the *Study* to identify the strengths and potential areas for improvement of their company's compensation packages. Academics will find the *2006 Study* to be a respected resource for documenting the benefits provided to employees.

The 374 firms that participated in this study provided benefits data for 304,416 full-time equivalent employees. These firms represent a cross-section of U.S. businesses in terms of industries, geography, and size. To these companies, and most especially the individuals who took the time to gather the necessary details and complete the survey, we extend our gratitude. It is through the willingness of these firms to share their benefits practices that we are better able to understand the important role of employee benefits in the free enterprise system.

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Using the Study to Evaluate Your Benefits Plan

Attracting and retaining quality employees is one of the greatest challenges in business today. Employees are increasingly aware of the benefits they receive — and how those benefits compare to what other companies are offering. The U.S. Chamber of Commerce *Employee Benefits Study* provides a wide array of facts to help you see how your company's benefits compare to those of other businesses. This section provides an overview of the information included in the *Study* as well as guidelines for using the *Study* to conduct a comparative assessment of your benefits plan.

- **Identify the *Study* categories that best define your company.** The *Study* presents information for U.S. companies in general (typically referred to as Total, All Companies), by employee size, industry, geographic location, and by for-profit or nonprofit status. In order to obtain the best picture of how your company measures up, determine which categories best fit your firm. You may also want to compare your figures to the categories of companies with whom you compete for employees.

- **Review the Methodological Note and Definitions.**

- **Compare the benefits that you offer to what other companies provide.** An overview of the percentage of firms offering benefits to full-time and part-time employees is presented on page 8. In addition, more in-depth investigations of paid time off, medical, and retirement and savings plan benefit offerings are presented on pages 31, 33, and 40, respectively.

- **Complete the copy of the survey and calculate your total benefits cost.** Easy-to-follow instructions are presented on page 49.

- **Utilize the appropriate average cost charts to compare the total cost of your employee benefits program.** A comparison of your total benefits costs is often the best indicator as to whether your benefits package is competitively funded vis-à-vis other companies. Be sure to reference Table 2 to determine the ranking of your total benefits package cost. You may also want to read the discussion of benefits costs presented in the Highlights section on page 8.

- **Benchmark your actual line item costs for specific medical or retirement benefits.** If you would like to compare your actual benefit line item costs (e.g., HMO premiums) to the average payment by survey participants, calculate your line item cost as a percentage of payroll by following the instructions for calculating the percent of payroll spent on benefits substituting the specific line item cost for Total Employer Benefits Payments. Benchmarking figures for medical items are provided on pages 37 and 44; figures for retirement plans are discussed in the text on pages 41 and 44.

Once you have completed your benefits package review, if you have determined your total benefits costs to be comparative to companies similar to you, yet are still concerned your benefits package is not competitive, you may want to conduct more direct research among your employees to determine their views of your benefits package. It may also be a good idea to contact alternate benefit providers to ensure that you are receiving the best value for your benefits costs.

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Methodological Note

The *2006 Employee Benefits Study* is an analysis of the actual employee benefit practices of 374 U.S. employers in 2005. These companies, which include both Chamber members and nonmembers who voluntarily participated in the *Study*, collectively employ approximately 304,416 full-time equivalent workers. These firms comprise a cross section of all U.S. employers in terms of number of employees, type of industry, geographic region and size of payroll.

As with each edition of the *Study*, the survey sample for the *2006 Employee Benefits Study* has a slightly different demographic composition than previous editions of the *Study*. In addition, the demographics of participating companies have varied within industry groupings (e.g., manufacturing versus non-manufacturing companies), geographic region, and company size. Due to the changes in sample composition, caution is recommended when attempting to draw conclusions from year-to-year comparison of Study findings.

Survey Participants by Number of Employees

Number of Employees	Number of Companies	Percent of Participating Companies
Under 100	215	58%
100–499	87	23%
500–999	34	9%
1,000–2,499	19	5%
2,500–4,999	7	2%
5,000 and over	12	3%

Changes in Survey Design

The 2006 Employee Benefits Study, while building on the success of past benefit surveys, incorporates several key modifications that reflect changes in the business community as well as in benefit practices.

This year new demographic questions were added regarding the status of business owners, helping us determine the rate of ownership by both women and minorities.

Other Notes

The reader may wish to consult the actual survey (including instructions) that was used to develop the Study, located at the end of this book, in order to gain a better understanding of how concepts and companies reported data in the survey. Employers were asked to report data for all employees except officers of the company, or similar executives who receive dramatically different benefits than the average employee.

With the exception of Table 19, which reports employee deductions, all data presented in the tables of the Study are payments made by the employer (i.e., benefits are analyzed in terms of average benefit per *employee* rather than per *employer*—For further details, see "Key Definitions" on page 47).

Industry categories are segmented based on the U.S. Census Bureau's Standard Industry Classification (SIC) system. For a listing of industry descriptions and definitions, and to help determine your company's industry, visit http://www.census.gov/epcd/www/naics.html.

"Other Manufacturing Industries" includes companies that did not identify a major line of business from the provided choices and those who marked "Other Manufacturing Industry." "Other Non-Manufacturing Industries" include companies that did not identify a major line of business from the provided choices and those who marked "Other Non-Manufacturing Industry."

There is a wide variation in the types of medical plan coverage used and the various ways that companies reported medical benefit costs. Specifically, several firms were able to provide separate employer costs for major medical insurance, dental insurance, vision care, short- and long-term disability, etc. However, those that were unable to separate out dental, vision, short- and long-term disabilities, etc., from their major medical insurance expenditures or sick leave costs provided one total value representing all medical/disability costs. Therefore, the figures reported for other medical insurance and sick pay may be slightly over reported while costs for other medical benefits may be underrepresented in this analysis.

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Highlights of Findings

Every company participating in the survey offers employee benefits beyond legally-required benefits (which include payroll taxes, workers' compensation, unemployment, etc.) with the exception of four respondents (1%). This is a greater outlook than the previous year's Study, where 12 respondents did not offer benefits beyond those legally required.

Full-Time and Part-Time Employee Benefits

- Over 95% of participating companies provide paid vacation and holiday benefits to full-time employees, while 94% provide health insurance benefits. The majority provide retirement (85%), life insurance (78%), sick leave (74%), dental (71%), long-term disability (66%), and short-term disability (57%) benefits.
- Over one in three participating companies offer benefits to part-time workers. The most common benefits provided to part-time workers are paid holiday (38%), vacation (36%) and retirement benefits (33%).
- The percent of participating companies that offer specific benefits were comparable in all categories from 2005 to 2006.

Type of Benefits Packages

- Fixed benefits packages, a type of package which employees receive a set of benefits determined by the company, are the most common type of benefit plan, offered by four out of ten participants (42%). However, more than half of participating companies (57%) provide employees with the freedom to select the benefits they receive through a benefits cafeteria plan or mixed benefits plan package, i.e., part of the benefits are determined by the company and part are determined by the employee.

Types of Benefits Plans Offered	All Companies
Fixed Benefits Plan	42%
Mixed Benefits Package	40%
Cafeteria Plan	17%
None Offered Beyond Legally Required Benefits	1%

Dollars Per Employee

- Employees of participating companies received an average of $18,489 in benefits in addition to wages in the *2006 Study*, compared to $20,158 in the previous year's Study. Employer costs for employee benefits include $5,924 of medically-related benefits, $4,736 of paid time off, and $3,612 in retirement and savings.

Percent of Payroll

- The cost of benefits average 44.2% of payroll among participating companies. However, as in previous Studies, benefits varied significantly between companies. For example, one in ten participating companies paid more than 49.5% of payroll in benefits while an equal percentage paid less than 21.8%.

	All Companies, 2005	
Type of Benefit	FT	PT
Paid Vacation	96%	36%
Paid Holidays	96%	38%
Health Insurance	94%	21%
Retirement Plan(s)	85%	33%
Life Insurance	78%	17%
Dental	71%	19%
Paid Sick Leave	74%	24%
Long-term Disability	66%	14%
Short-term Disability	57%	15%
Vision	43%	14%

	All Companies, 2004	
Type of Benefit	FT	PT
Paid Vacation	98%	37%
Paid Holidays	97%	37%
Health Insurance	97%	23%
Retirement Plan(s)	89%	35%
Life Insurance	88%	18%
Dental	80%	22%
Paid Sick Leave	78%	24%
Long-term Disability	71%	13%
Short-term Disability	65%	13%
Vision	47%	15%

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- Payments for medically-related benefits accounted for the largest share of employer benefit costs as a percentage of payroll (14.5%), followed by payments for vacation, holidays and other time not worked (11.1%), legally-required payments (9.3%), and retirement benefits (8.6%).

Company Size

- Larger companies offer a greater number of employee benefits to their workers than do smaller companies. Large companies are also more likely to offer benefits to part-time workers than are small companies; for example, while only 12% of participating companies with fewer than 100 employees offer health insurance to part-time workers, 62% of companies with more than 5,000 employees offer such benefits.
- The larger the company, the higher the costs for employee benefits as a percentage of payroll. Smaller companies (those employing fewer than 100 people) paid an average of 32.8% of payroll in benefits. Benefit costs at medium-sized companies (those with 500 to 999 employees) averaged 40.6% of payroll, while the larger companies (5,000 or more workers) paid an average of 47.7% of payroll.

Industry

- Manufacturing companies paid an average of 44.6% of payroll in benefits, while the average at non-manufacturing firms was an even 44% of payroll.

Geographic

- Metropolitan areas spent more than $1,000 per employee for paid time off and retirement payments than companies in non-metro areas. Metropolitan areas also exceed payments by almost $500 for medical benefits.

Nonprofit

- Participating nonprofit firms paid an average of 34.8% of payroll for employee benefits, compared to 46.3% of payroll for all companies.

Flexible Benefits

- In general, a larger percentage of non-manufacturing industries and larger companies offer flexible benefit programs (e.g., childcare, compressed work schedule, and transportation) as an employee benefit.

Flexible Benefits Program	All Companies
Flexible Spending Accounts for Child Care	46%
Flexible/Compressed Work Schedules	12%
Flexible Spending Accounts for Transportation	7%

Benefits Payments as a Percentage of Payroll, 2005

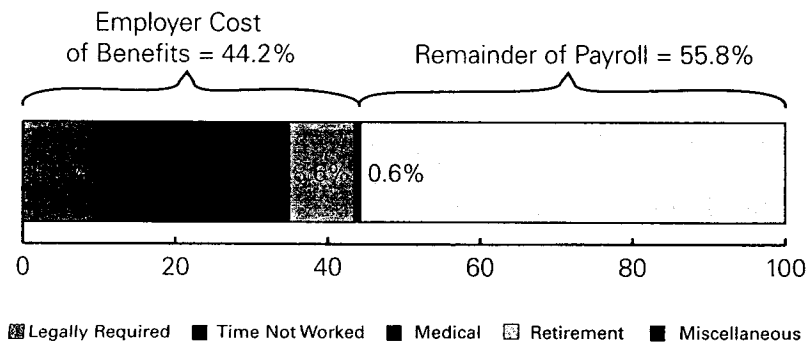

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TABLE 1

Employee Benefits by All Industry Groups

Type of Benefit	Percent of Payroll %			Cents per Hour ¢			Annual Dollars per Employee $		
	Total, All Companies	Total, Manufacturing	Total, Non-Manufacturing	Total, All Companies	Total, Manufacturing	Total, Non-Manufacturing	Total, All Companies	Total, Manufacturing	Total, Non-Manufacturing
Total Number of Companies	374	107	267	374	107	267	374	107	267
Total Number of Full-Time Equivalent Employees	304,416	79,400	225,016	304,416	79,400	225,016	304,416	79,400	225,416
Total Benefits	44.2%	44.6%	44.0%	890.3¢	915.3¢	881.6¢	$18,489	$19,232	$18,228
Legally Required Payments	9.3	9.5	9.2	188.0	202.6	182.8	3,912	4,272	3,785
Federally Required Payroll Taxes	7.2	7.3	7.2	150.1	161.6	146.1	3,121	3,401	3,022
Unemployment Compensation	0.6	0.9	0.5	12.6	17.3	11.0	264	366	228
Workers' Compensation Insurance	1.4	1.3	1.4	23.7	23.2	23.9	497	495	498
Other	0.1	0.0	0.1	1.5	0.4	1.8	30	9	38
Payments for Time Not Worked	11.1	11.0	11.2	227.4	235.3	224.6	4,736	4,945	4,662
Payments for Holidays	3.4	3.5	3.3	69.7	76.1	67.4	1,447	1,599	1,393
Paid Breaks, etc.	0.6	1.2	0.4	11.9	20.7	8.8	677	440	183
Sick Leave Pay	1.5	0.6	1.8	27.3	14.9	31.7	567	312	658
Payments for Vacations	3.6	3.9	3.5	72.3	81.7	69.0	1,504	1,722	1,428
Paid Time Off	1.3	1.5	1.2	32.3	38.8	30.1	249	806	632
Family and Medical Leave Pay	0.1	0.0	0.1	2.0	0.8	2.4	41	16	50
Other	0.7	0.1	0.9	11.9	2.3	15.3	248	51	318
Medically Related Payments	14.5	15.6	14.2	285.5	302.2	279.6	5,924	6,354	5,772
STD, Sickness or Accident Insurance	0.2	0.4	0.1	4.0	7.6	2.8	83	158	56
LTD or Wage Continuation	0.3	0.2	0.3	6.5	5.5	6.9	135	116	142
Medical Insurance Premiums	10.9	10.4	11.1	211.9	202.0	215.4	4,401	4,254	4,452
Dental Insurance Premiums	0.5	0.6	0.5	11.4	13.9	10.5	237	296	217
Vision Care	0.0	0.0	0.0	0.5	0.4	0.5	11	9	11
Retiree Medical Insurance Premiums	1.4	2.1	1.1	25.2	33.9	22.1	521	706	455
Life Insurance and Death	0.3	0.2	0.3	6.4	4.0	7.2	132	86	148
Prescription Drug Coverage	0.6	1.4	0.2	9.8	24.9	4.5	205	522	93
Other	0.3	0.3	0.3	7.6	7.7	7.6	155	159	153
Administration Costs	0.1	0.1	0.1	2.1	2.2	2.1	44	47	43
Retirement and Savings	8.6	7.6	8.9	176.3	157.1	181.0	3,612	3,281	3,729
Defined Benefit Pension Plan	5.6	3.2	6.5	105.8	56.4	121.2	2,147	1,181	2,489
Cash Balance or Other Hybrid Plan	0.2	0.5	0.0	4.0	13.5	0.7	81	273	13
401(k) and Similar	1.8	2.4	1.6	43.3	58.3	38.1	901	1,219	789
Profit-Sharing	0.7	1.2	0.5	15.1	24.8	11.6	313	517	241
Stock Bonus/ESOP	0.1	0.1	0.0	1.0	1.8	0.8	22	38	16
Other	0.2	0.0	0.2	5.0	1.6	6.2	104	33	129
Administration Costs	0.1	0.0	0.1	2.1	0.9	2.5	44	19	52
Miscellaneous Benefit Pay	0.6	1.0	0.5	14.7	18.1	13.5	305	380	279
Severance Pay	0.2	0.2	0.2	6.1	3.8	7.0	127	80	143
Child Care	0.0	0.0	0.0	0.1	0.2	0.0	1	3	0
Employee Education Expenditures	0.2	0.2	0.1	3.3	3.7	3.2	68	78	65
Discounts	0.2	0.4	0.1	3.4	7.1	2.0	70	148	42
Other	0.1	0.2	0.1	1.9	3.3	1.4	39	70	28

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TABLE 2

Employee Benefits Costs, Ranked by Industry and Company Size

Among All Responding Companies	Percent of Payroll	Cents per Payroll Hour	Annual Dollars per Employee
10% of companies paid more than	49.5%	1,353.3¢	$27,713
25% of companies paid more than	40.0%	1,009.4¢	$20,918
50% of companies paid more than	31.9%	676.0¢	$14,374
75% of companies paid more than	25.8%	479.6¢	$9,938
90% of companies paid more than	21.8%	342.6¢	$7,292

Among Manufacturing Companies	Percent of Payroll	Cents per Payroll Hour	Annual Dollars per Employee
10% of companies paid more than	46.3%	1,100.6¢	$23,831
25% of companies paid more than	37.8%	901.7¢	$18,756
50% of companies paid more than	31.8%	581.5¢	$13,125
75% of companies paid more than	26.7%	459.7¢	$9,922
90% of companies paid more than	22.6%	336.3¢	$7,997

Among Non-Manufacturing Companies	Percent of Payroll	Cents per Payroll Hour	Annual Dollars per Employee
10% of companies paid more than	50.8%	1,428.2¢	$29,350
25% of companies paid more than	40.6%	1,060.0¢	$22,048
50% of companies paid more than	32.0%	711.0¢	$15,095
75% of companies paid more than	25.1%	481.9¢	$9,939
90% of companies paid more than	21.1%	339.6¢	$7,212

Among Small Companies (fewer than 100 employees)	Percent of Payroll	Cents per Payroll Hour	Annual Dollars per Employee
10% of companies paid more than	44.2%	1,291.5¢	$26,780
25% of companies paid more than	37.0%	881.0¢	$18,202
50% of companies paid more than	30.3%	595.3¢	$12,723
75% of companies paid more than	24.5%	429.1¢	$9,103
90% of companies paid more than	19.3%	291.9¢	$6,632

Among Medium Companies (100 to 499 employees)	Percent of Payroll	Cents per Payroll Hour	Annual Dollars per Employee
10% of companies paid more than	51.9%	1,295.0¢	$26,737
25% of companies paid more than	40.4%	999.7¢	$20,793
50% of companies paid more than	30.8%	677.7¢	$14,097
75% of companies paid more than	25.4%	486.8¢	$10,126
90% of companies paid more than	22.2%	360.7¢	$7,856

Among Large Companies (500 or more employees)	Percent of Payroll	Cents per Payroll Hour	Annual Dollars er Employee
10% of companies paid more than	58.9%	1,506.5¢	$31,336
25% of companies paid more than	47.6%	1,236.7¢	$25,724
50% of companies paid more than	38.0%	975.6¢	$20,224
75% of companies paid more than	30.6%	747.4¢	$16,414
90% of companies paid more than	25.6%	490.5¢	$10,202

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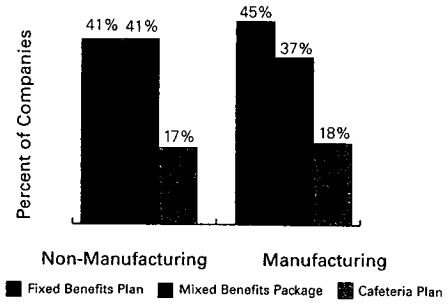
Industry Variations

Introduction to Industry

Overall Benefits

Participating manufacturing and non-manufacturing companies show little variance in the type of benefits plan offered to their employees; whether a company offers a fixed plan or one with more freedom to choose a plan (e.g., mixed or cafeteria plan) is predominately a matter of company size (see page 22). Manufacturing companies are only slightly more likely to offer fixed plans than non-manufacturing firms.

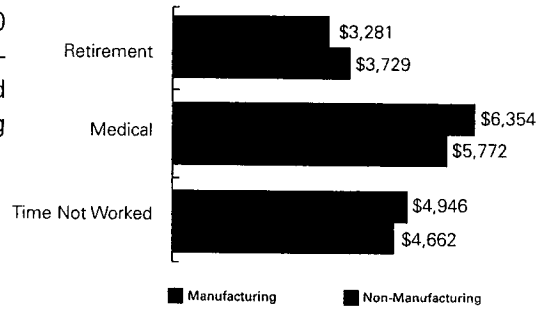
Type of Benefit Plan Offered



Value of Benefits

Total annual dollars per employee for manufacturing vs. non-manufacturing are $19,232 vs. $18,228, respectively. When separated by the benefit components, payments for retirement are about $450 per employee higher at non-manufacturing firms, while medical payments are $580 higher at manufacturing firms. Time not worked payments are about $280 per employee higher at manufacturing firms than non-manufacturing firms.

Value of Employee Benefits



Benefits Offered to Full-Time & Part-Time Workers

The breakout in the actual benefits provided show that manufacturing firms offer their employees a greater number of benefits. For example, manufacturing companies tend to offer a greater or equal percentage of benefits in all categories except for paid sick leave, vision, and long-term disability. When considering benefits payments to part-time employees, however, the differences are quite significant. In every benefits category, a higher percentage of non-manufacturing firms offer benefits to their part-time employees, and in many cases (e.g., paid sick leave, paid vacation, and vision) non-manufacturing firms are about twice as likely to offer part-time employees benefits than manufacturing firms.

	Non-Manufacturing		Manufacturing	
	FT	PT	FT	PT
Paid Vacation	95%	40%	98%	24%
Paid Holidays	95%	40%	96%	34%
Health Insurance	92%	22%	96%	19%
Retirement Plan(s)	85%	36%	85%	26%
Life Insurance	77%	19%	81%	13%
Dental	70%	20%	74%	18%
Paid Sick Leave	81%	29%	56%	12%
Long-term Disability	69%	15%	59%	11%
Short-term Disability	53%	15%	67%	14%
Vision	44%	16%	41%	9%

Flexible Work Schedules & Spending Accounts

All benefits categorized as flexible are more common in non-manufacturing vs. manufacturing companies. Flexible spending for child care is offered by 46% of participating non-manufacturing firms, while just slightly fewer (40%) of manufacturing firms offer this benefit. Flexible or compressed work schedules are offered by nearly two out of ten non-manufacturing firms and one in ten manufacturing companies. Flexible spending for transportation is offered by non-manufacturing firms at three times the rate of manufacturing companies, but is still less than one in ten companies.

Flexible Spending Account Trends

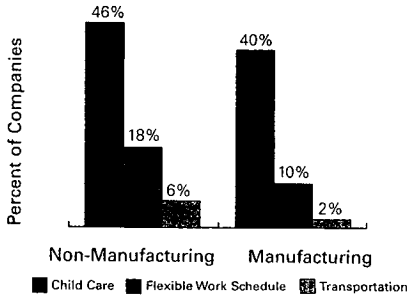


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TABLE 3

Employee Benefits as Annual Dollars per Employee, by Manufacturing Industry Group

Type of Benefit	Total, Manufacturing	Chemicals (Including Pharmaceutical Companies)	Computer, Electronic, and Electrical Products/Components	Fabricated Metal Products	Food, Beverage, and Tobacco	Industrial Machinery & Equipment	Instruments and Related Products	Non-Metallic products (Rubber, Leather, Plastic, Glass, Clay)	Primary Metal Products (Steel, Smelting & Wire Drawing)	Printing & Related Support Activities	Pulp, Paper, Lumber, and Furniture	Textile and Apparel	Transportation Equipment	Other Manufacturing Industries
Total Number of Companies	107	9	4	17	9	9	3	20	5	2	11	3	5	10
Total Number of Full-Time Equivalent Employees	79,403	4,171	14,656	6,608	860	2,269	295	25,722	6,853	231	880	863	14,841	1,154
Total Benefits as Annual Dollars per Employee	$19,232	$25,748	$19,952	$16,346	$16,273	$24,081	$17,872	$20,476	$14,008	$10,888	$10,228	$20,576	$18,499	$16,307
Legally Required Payments	4,272	5,215	5,124	5,091	5,166	4,851	3,904	3,376	4,651	4,098	4,173	4,711	3,978	4,921
Federally Required Payroll Taxes	3,401	4,852	4,452	3,232	3,435	3,641	2,570	2,279	3,760	3,234	2,496	3,764	3,822	3,428
Unemployment Compensation	366	165	443	566	439	336	729	428	496	449	321	251	79	532
Workers' Compensation Insurance	495	171	227	1,283	1,249	872	441	668	395	415	1,223	696	54	961
Other	9	26	1	10	43	1	163	0	0	0	133	0	23	0
Payments for Time Not Worked	4,945	6,120	6,592	3,716	3,279	4,972	4,524	4,067	4,542	3,148	2,497	2,152	5,726	4,379
Payments for Holidays	1,599	1,938	1,656	1,102	1,702	2,025	1,017	1,335	2,694	712	691	523	1,721	1,202
Paid Breaks, etc.	440	22	215	748	262	142	1040	890	11	0	868	302	26	1334
Sick Leave Pay	312	803	43	107	197	113	0	23	322	17	55	90	1,100	309
Payments for Vacations	1,722	3,189	427	1,619	738	2,453	0	1,734	1,475	1,273	651	1,011	2,845	1,413
Paid Time Off	806	56	4,136	77	375	38	2,393	20	11	1,100	227	65	21	88
Family and Medical Leave Pay	16	0	6	0	5	159	24	26	0	3	3	0	8	0
Other	51	112	108	63	0	42	51	39	30	41	2	161	4	33
Medically Related Payments	6,354	7,450	4,718	5,916	2,897	12,282	2,942	8,808	1,668	2,773	2,603	5,686	5,587	4,513
STD, Sickness or Accident Insurance	158	157	88	99	56	19	0	287	320	38	15	24	11	71
LTD or Wage Continuation	116	105	110	59	133	210	24	45	216	38	34	116	214	197
Medical Insurance Premiums	4,254	5,150	3,621	4,905	2,483	5,114	2,831	5,533	50	2,423	2,418	4,495	4,219	3,841
Dental Insurance Premiums	296	276	672	234	30	372	39	29	478	257	76	384	356	246
Vision Care	9	0	44	1	2	0	8	0	0	0	7	0	3	6
Retiree Medical Insurance Premiums	706	1,056	26	95	0	867	0	1,806	275	0	0	415	0	0
Life Insurance and Death	86	266	90	145	157	92	37	14	329	16	42	246	1	150
Prescription Drug Coverage	522	440	0	10	20	33	0	1,082	0	0	0	0	784	0
Other	159	0	2	0	11	5,559	2	0	0	0	1	0	0	0
Administration Costs	47	0	63	369	5	18	0	13	0	0	9	6	0	2
Retirement and Savings	3,281	6,717	3,255	1,398	4,204	1,697	6,447	3,501	2,756	519	900	7,771	3,170	2,229
Defined Benefit Pension Plan	1,181	3,931	538	53	1,667	0	0	2,555	14	0	89	2,149	10	0
Cash Balance or Other Hybrid Plan	273	0	0	0	0	0	0	0	0	0	0	4,403	1,206	0
401(k) and Similar	1,219	2,136	1,711	1,220	989	1,140	117	475	2,741	484	551	1,010	1,131	1,750
Profit-Sharing	517	84	998	27	1,371	117	40	468	0	0	208	116	797	267
Stock Bonus/ESOP	38	0	0	0	0	408	6,163	0	0	0	0	0	10	136
Other	33	534	0	21	29	0	53	1	0	0	13	0	10	0
Administration Costs	19	32	9	79	149	32	89	2	2	35	40	93	16	76
Miscellaneous Benefits	380	247	264	225	726	278	55	723	391	351	55	256	38	265
Severance Pay	80	92	23	76	664	136	0	85	242	351	28	0	17	66
Child Care	3	0	0	0	0	0	0	0	0	0	0	254	0	0
Employee Education Expenditures	78	122	173	53	35	0	27	104	0	0	0	2	5	8
Discounts	148	33	0	54	28	142	28	375	149	0	0	0	16	17
Other	70	0	67	42	0	0	0	159	0	0	26	0	0	173

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TABLE 4

Employee Benefits as Cents per Hour, by Manufacturing Industry Group

Type of Benefit	Total, Manufacturing	Chemicals (Including Pharmaceutical Companies)	Computer, Electronic, and Electrical Products/Components	Fabricated Metal Products	Food, Beverage & Tobacco	Industrial Machinery & Equipment	Instruments and Related Products	Non-Metallic Products (Rubber, Leather, Plastic, Glass, Clay)	Primary Metal Products (Steel, Smelting & Wire Drawing)	Printing & Related Support Activities	Pulp, Paper, Lumber & Furniture	Textile and Apparel	Transportation Equipment	Other Manufacturing Industries
Total Number of Companies	107	9	4	17	9	9	3	20	5	2	11	3	5	10
Total Number of Full-Time Equivalent Employees	79,403	4,171	14,656	6,608	860	2,269	295	25,722	6,853	231	880	863	14,841	1,154
Total Benefits as Cents per Hour	915.3¢	1,240.5¢	941.1¢	766.5¢	755.8¢	1,150.6¢	852.7¢	971.7¢	672.9¢	523.4¢	468.0¢	1,074.0¢	887.6¢	774.9¢
Legally Required Payments	202.6	251.4	242.6	237.9	236.3	231.2	184.1	158.2	223.4	197.0	190.4	247.2	190.7	233.4
Federally Required Payroll Taxes	161.6	233.9	210.9	151.0	156.3	173.8	122.3	107.0	180.6	155.5	113.6	198.5	183.3	162.8
Unemployment Compensation	17.3	8.0	21.1	26.7	20.4	16.0	34.2	20.0	23.8	21.6	14.6	13.5	3.7	25.2
Workers' Compensation Insurance	23.2	8.3	10.5	59.7	57.5	41.5	20.7	31.3	18.9	20.0	55.9	35.2	2.6	45.4
Other	0.4	1.3	0.1	0.5	2.1	0.1	7.0	0.0	0.0	0.0	6.2	0.0	1.1	0.0
Payments for Time Not Worked	235.3	294.9	311.8	173.9	151.6	237.3	216.4	192.9	218.3	151.3	113.8	105.3	274.8	209.2
Payments for Holidays	76.1	93.4	78.2	51.2	78.5	96.8	48.4	63.5	129.5	34.3	31.6	26.0	82.6	57.2
Paid Breaks, etc.	20.7	1.0	9.3	35.2	11.4	6.6	49.3	42.4	0.5	0.0	39.3	14.5	1.2	64.1
Sick Leave Pay	14.9	38.6	1.9	4.7	9.3	5.2	0.0	1.0	15.5	0.8	2.6	4.3	52.9	14.9
Payments for Vacations	81.7	153.3	18.5	76.1	34.4	117.3	0.0	82.0	70.9	61.2	29.6	48.6	136.5	67.5
Paid Time Off	38.8	3.2	198.8	3.6	17.7	1.8	115.0	1.0	0.5	52.9	10.4	3.1	1.0	3.9
Family and Medical Leave Pay	0.8	0.0	0.3	0.0	0.2	7.6	1.1	1.3	0.0	0.2	0.1	0.0	0.4	0.0
Other	2.3	5.4	4.6	3.0	0.0	2.0	2.5	1.7	1.5	2.0	0.1	8.7	0.2	1.6
Medically Related Payments	302.2	358.8	222.0	277.8	138.2	587.9	139.9	417.9	80.0	133.3	119.5	296.2	268.3	214.1
STD, Sickness or Accident Insurance	7.6	7.5	4.2	4.7	2.5	0.9	0.0	13.8	15.4	1.8	0.7	1.2	0.5	3.4
LTD or Wage Continuation	5.5	5.1	5.2	2.8	6.3	10.1	1.2	2.1	10.4	1.8	1.6	6.0	10.3	9.5
Medical Insurance Premiums	202.0	248.2	171.2	229.2	119.0	243.4	134.5	261.6	2.3	116.5	110.8	234.7	202.6	182.1
Dental Insurance Premiums	13.9	13.3	31.3	11.2	1.3	17.8	1.9	1.2	23.0	12.4	3.6	19.7	17.0	11.6
Vision Care	0.4	0.0	2.1	0.0	0.1	0.0	0.4	0.0	0.0	0.0	0.3	0.0	0.1	0.3
Retiree Medical Insurance Premiums	33.9	50.7	1.1	4.5	0.0	41.7	0.0	86.7	13.2	0.0	0.0	21.2	0.0	0.0
Life Insurance and Death	4.0	12.8	4.1	7.0	7.4	4.4	1.8	0.6	15.8	0.8	2.0	13.0	0.1	7.2
Prescription Drug Coverage	24.9	21.2	0.0	0.5	0.9	1.5	0.0	51.4	0.0	0.0	0.0	0.0	37.7	0.0
Other	7.7	0.0	0.1	0.0	0.5	267.3	0.1	0.0	0.0	0.0	0.1	0.0	0.0	0.0
Administration Costs	2.2	0.0	2.7	17.8	0.2	0.8	0.0	0.5	0.0	0.0	0.4	0.4	0.0	0.1
Retirement and Savings	157.1	323.4	152.5	66.4	195.0	80.8	309.8	168.1	132.5	25.0	41.8	411.2	152.1	105.5
Defined Benefit Pension Plan	56.4	189.0	23.0	2.5	79.8	0.0	0.0	122.8	0.7	0.0	4.3	103.3	0.5	0.0
Cash Balance or Other Hybrid Plan	13.5	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	241.9	58.0	0.0
401(k) and Similar	58.3	102.7	81.2	58.2	44.2	54.6	5.6	22.6	131.7	23.3	25.1	55.3	54.2	83.5
Profit-Sharing	24.8	4.4	48.0	1.0	62.8	5.3	1.9	22.5	0.0	0.0	10.0	5.6	38.3	12.7
Stock Bonus/ESOP	1.8	0.0	0.0	0.0	0.0	19.4	296.3	0.0	0.0	0.0	0.0	0.0	0.4	5.9
Other	1.6	25.7	0.0	0.9	1.4	0.0	2.3	0.0	0.0	0.0	0.6	0.0	0.5	0.0
Administration Costs	0.9	1.6	0.4	3.7	6.9	1.5	4.3	0.1	0.1	1.7	1.8	5.1	0.7	3.4
Miscellaneous Benefits	18.1	11.9	12.2	10.6	34.7	13.4	2.6	34.5	18.8	16.9	2.5	14.1	1.7	12.7
Severance Pay	3.8	4.5	1.1	3.7	31.7	6.5	0.0	4.0	11.6	16.9	1.4	0.0	0.8	3.2
Child Care	0.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	14.0	0.0	0.0
Employee Education Expenditures	3.7	5.9	8.2	2.4	1.6	0.0	1.3	5.0	0.0	0.0	0.0	0.1	0.3	0.4
Discounts	7.1	1.6	0.0	2.5	1.3	6.8	1.3	18.0	7.2	0.0	0.0	0.0	0.7	0.8
Other	3.3	0.0	2.9	2.0	0.0	0.0	0.0	7.6	0.0	0.0	1.2	0.0	0.0	8.3

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TABLE 5

Employee Benefits as a Percentage of Payroll, by Manufacturing Industry Group

Type of Benefit	Total, Manufacturing	Chemicals (Including Pharmaceutical Companies)	Computer, Electronic, & Electrical Products/ Components	Fabricated Metal Products	Food, Beverage & Tobacco	Industrial Machinery & Equipment	Instruments and Related Products	Non-Metallic Products (Rubber, Leather, Plastic, Glass, Clay)	Primary Metal Products (Steel, Smelting & Wire Drawing)	Printing & Related Support Activities	Pulp, Paper, Lumber & Furniture	Textile & Apparel	Transportation Equipment	Other Manufacturing Industries
Total Number of Companies	107	9	4	17	9	9	3	20	5	2	11	3	5	10
Total Number of Full-Time Equivalent Employees	79,403	4,171	14,656	6,608	860	2,269	295	25,722	6,853	231	880	863	14,841	1,154
Total Benefits as Percent of Payroll	44.6%	35.3%	36.9%	35.9%	32.0%	43.8%	50.1%	64.5%	24.0%	24.0%	30.2%	41.4%	36.9%	33.8%
Legally Required Payments	9.5	7.2	9.5	11.3	11.1	9.0	10.8	10.5	8.0	9.3	12.2	9.5	7.9	10.5
Federally Required Payroll Taxes	7.3	6.6	8.3	7.1	7.3	6.6	7.1	7.1	6.4	7.1	7.2	7.6	7.6	7.3
Unemployment Compensation	0.9	0.2	0.8	1.2	1.0	0.6	2.0	1.3	0.9	1.1	0.9	0.5	0.1	1.1
Workers' Compensation Insurance	1.3	0.3	0.4	2.9	2.7	1.7	1.2	2.1	0.7	1.1	3.5	1.4	0.1	2.2
Other	0.0	0.1	0.0	0.0	0.1	0.0	0.5	0.0	0.0	0.0	0.6	0.0	0.0	0.0
Payments for Time Not Worked	11.0	8.4	12.2	8.0	6.1	9.0	12.5	12.8	7.8	7.5	7.1	4.4	11.4	9.2
Payments for Holidays	3.5	2.7	3.1	2.4	3.1	3.6	2.8	4.2	4.6	1.8	2.0	1.1	3.4	2.6
Paid Breaks, etc.	1.2	0.0	0.3	1.6	0.8	0.4	3.0	2.8	0.0	0.0	2.4	0.6	0.1	2.8
Sick Leave Pay	0.6	1.1	0.1	0.2	0.3	0.2	0.0	0.1	0.5	0.1	0.2	0.2	2.2	0.6
Payments for Vacations	3.9	4.3	0.7	3.5	1.3	4.4	0.0	5.4	2.5	3.8	1.9	2.0	5.7	2.9
Paid Time Off	1.5	0.1	7.9	0.2	0.6	0.1	6.5	0.1	0.0	1.8	0.6	0.2	0.0	0.2
Family and Medical Leave Pay	0.0	0.0	0.0	0.0	0.0	0.3	0.1	0.1	0.0	0.0	0.0	0.0	0.0	0.0
Other	0.1	0.2	0.2	0.1	0.0	0.1	0.1	0.1	0.1	0.1	0.0	0.3	0.0	0.1
Medically Related Payments	15.6	10.1	8.7	13.1	5.4	21.7	8.1	27.7	2.9	5.8	8.0	11.4	11.2	8.9
STD, Sickness or Accident Insurance	0.4	0.2	0.2	0.2	0.1	0.0	0.0	0.9	0.5	0.1	0.1	0.1	0.0	0.1
LTD or Wage Continuation	0.2	0.1	0.2	0.1	0.2	0.3	0.1	0.1	0.4	0.1	0.1	0.2	0.4	0.4
Medical Insurance Premiums	10.4	7.0	6.8	10.9	4.5	9.7	7.8	17.3	0.1	5.0	7.4	9.1	8.5	7.6
Dental Insurance Premiums	0.6	0.4	1.2	0.5	0.1	0.7	0.1	0.1	0.8	0.5	0.3	0.8	0.7	0.5
Vision Care	0.0	0.0	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Retiree Medical Insurance Premiums	2.1	1.4	0.0	0.2	0.0	1.4	0.0	5.8	0.5	0.0	0.0	0.8	0.0	0.0
Life Insurance and Death	0.2	0.4	0.2	0.3	0.3	0.2	0.1	0.0	0.6	0.0	0.1	0.5	0.0	0.3
Prescription Drug Coverage	1.4	0.6	0.0	0.0	0.2	0.1	0.0	3.4	0.0	0.0	0.0	0.0	1.6	0.0
Other	0.3	0.0	0.0	0.0	0.0	9.3	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Administration Costs	0.1	0.0	0.1	0.8	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Retirement and Savings	7.6	9.1	5.9	3.0	8.2	3.7	18.6	11.1	4.7	0.9	2.8	15.5	6.3	4.6
Defined Benefit Pension Plan	3.2	5.4	0.8	0.1	2.7	0.0	0.0	8.2	0.0	0.0	0.3	4.3	0.0	0.0
Cash Balance or Other Hybrid Plan	0.5	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	8.7	2.4	0.0
401(k) and Similar	2.4	2.9	3.2	2.6	1.9	2.0	0.3	1.5	4.7	0.8	1.6	2.0	2.2	3.6
Profit-Sharing	1.2	0.2	1.9	0.1	3.0	0.3	0.1	1.5	0.0	0.0	0.7	0.3	1.6	0.5
Stock Bonus/ESOP	0.1	0.0	0.0	0.0	0.0	1.4	17.8	0.0	0.0	0.0	0.0	0.0	0.0	0.3
Other	0.0	0.7	0.0	0.0	0.1	0.0	0.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Administration Costs	0.0	0.0	0.0	0.1	0.4	0.1	0.2	0.0	0.0	0.1	0.1	0.2	0.0	0.2
Miscellaneous Benefits	1.0	0.3	0.5	0.5	1.2	0.5	0.2	2.3	0.7	0.6	0.1	0.5	0.1	0.5
Severance Pay	0.2	0.1	0.0	0.2	1.1	0.2	0.0	0.3	0.4	0.6	0.1	0.0	0.0	0.1
Child Care	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.5	0.0	0.0
Employee Education Expenditures	0.2	0.2	0.3	0.1	0.1	0.0	0.1	0.3	0.0	0.0	0.0	0.0	0.0	0.0
Discounts	0.4	0.0	0.0	0.1	0.1	0.2	0.1	1.2	0.3	0.0	0.0	0.0	0.0	0.0
Other	0.2	0.0	0.1	0.1	0.0	0.0	0.0	0.5	0.0	0.0	0.1	0.0	0.0	0.3

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TABLE 6

Employee Benefits as Annual Dollars per Employee, by Non-Manufacturing Industry Group

Type of Benefit	Total, Non-Manufacturing	Construction	Educational Services	Finance and Insurance	Health Care & Social Assistance	Hospitality (Lodging, Restaurants, Recreation & Entertainment)	Information (Data Processing, Information Services & Publishing)	Professional, Scientific, and Technical Services (Consulting, Legal, Accounting, & Network Services)
Total Number of Companies	267	24	8	55	25	5	9	29
Total Number of Full-Time Equivalent Employees	225,016	1,886	4,510	43,399	30,589	1,145	4,795	8,054
Total Benefits as Annual Dollars per Employee	$18,228	$12,193	$12,525	$20,436	$13,629	$10,789	$23,672	$28,591
Legally Required Payments	3,785	4,317	2,621	4,178	3,788	4,298	5,153	5,867
Federally Required Payroll Taxes	3,022	2,809	2,526	3,698	2,777	2,377	4,675	5,194
Unemployment Compensation	228	462	23	287	283	887	266	281
Workers' Compensation Insurance	498	1,045	70	118	650	1,034	212	365
Other	38	2	2	75	78	0	0	26
Payments for Time Not Worked	4,662	3,210	3,097	4,400	3,896	2,614	7,233	8,705
Payments for Holidays	1,396	1,217	1,749	1,648	1,032	1,092	2,440	2,673
Paid Breaks, etc.	183	47	0	198	238	47	334	399
Sick Leave Pay	658	483	304	374	183	187	174	787
Payments for Vacations	1,428	1,093	878	1,357	416	502	1,286	2,903
Paid Time Off	632	312	154	581	1,915	759	2,668	1,764
Family and Medical Leave Pay	50	19	10	128	45	0	289	1
Other	318	40	1	115	67	26	42	198
Medically Related Payments	5,772	2,972	3,514	6,126	4,453	3,189	6,730	7,305
STD, Sickness or Accident Insurance	56	9	0	127	35	29	253	121
LTD or Wage Continuation	142	62	48	153	144	78	130	151
Medical Insurance Premiums	4,452	2,493	3,199	3,944	3,765	2,733	4,411	6,125
Dental Insurance Premiums	217	143	29	293	200	49	338	420
Vision Care	11	5	0	18	15	0	44	37
Retiree Medical Insurance Premiums	455	114	0	561	62	0	1,095	62
Life Insurance and Death	148	60	73	148	190	51	252	273
Prescription Drug Coverage	93	65	16	37	25	0	70	30
Other	153	20	0	705	9	0	5	9
Administration Costs	43	1	148	140	7	250	132	78
Retirement and Savings	3,729	1,646	2,850	5,206	1,331	553	3,651	5,012
Defined Benefit Pension Plan	2,489	204	2,393	3,053	352	0	1,955	206
Cash Balance or Other Hybrid Plan	13	0	171	51	0	0	0	0
401(k) and Similar	789	384	287	1,669	708	343	1,589	2,691
Profit-Sharing	241	997	0	331	233	207	94	165
Stock Bonus/ESOP	16	14	0	20	0	0	0	0
Other	129	18	834	46	0	0	0	1,853
Administration Costs	52	29	0	36	38	2	13	97
Miscellaneous Benefits	279	47	444	526	160	136	905	1,702
Severance Pay	143	0	13	309	84	39	220	1,502
Child Care	0	0	0	0	0	0	0	0
Employee Education Expenditures	65	44	363	126	48	40	59	112
Discounts	42	1	2	17	24	3	567	79
Other	28	2	67	73	4	54	58	9

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Public Utilities	Rental, Leasing and Real Estate	Retail Trade	Support and Management Services (Management Companies & Administrative Support)	Trade Associations, Business Federations & Chambers of Commerce	Transportation, Distribution & Warehousing	Wholesale Trade	Other Non-Manufacturing Industry	Type of Benefit
13	10	18	6	33	10	13	9	Total Number of Companies
6,177	19,430	1,193	271	1,218	3,419	13,749	85,185	Total Number of Full-Time Equivalent Employees
$27,005	$10,335	$12,060	$14,371	$16,749	$18,742	$21,491	$18,739	Total Benefits as Annual Dollars per Employee
4,629	4,216	4,820	4,835	4,648	4,307	4,702	2,994	Legally Required Payments
3,884	2,268	3,037	4,052	4,061	3,204	3,458	2,520	Federally Required Payroll Taxes
107	470	211	494	459	332	460	76	Unemployment Compensation
486	1,479	821	289	127	695	783	392	Workers' Compensation Insurance
152	0	751	0	1	76	1	6	Other
7,543	2,202	2,733	4,543	3,913	5,112	5,242	4,965	Payments for Time Not Worked
1,862	864	1,266	1,600	1,035	1,422	1,028	1,360	Payments for Holidays
929	1	112	116	783	569	777	9	Paid Breaks, etc.
1,123	362	203	912	278	479	278	1,129	Sick Leave Pay
2,722	748	960	1,906	804	1,935	1,424	1,800	Payments for Vacations
565	73	166	0	939	546	1,435	17	Paid Time Off
50	120	0	0	33	72	0	0	Family and Medical Leave Pay
292	34	27	9	41	89	331	649	Other
8,411	3,566	3,234	3,464	3,358	6,452	6,052	6,399	Medically Related Payments
28	25	21	20	99	131	185	0	STD, Sickness or Accident Insurance
254	16	19	77	198	191	134	164	LTD or Wage Continuation
6,972	2,867	1,497	3,105	2,081	5,609	3,996	5,221	Medical Insurance Premiums
375	105	29	133	309	212	199	191	Dental Insurance Premiums
5	5	1	0	8	0	24	3	Vision Care
511	2	0	0	104	0	506	704	Retiree Medical Insurance Premiums
187	109	25	112	210	52	377	98	Life Insurance and Death
0	438	67	10	6	0	623	7	Prescription Drug Coverage
79	0	1,573	7	137	3	6	10	Other
0	0	2	0	207	252	2	1	Administration Costs
5,949	245	1,264	1,413	4,527	2,583	5,091	4,347	Retirement and Savings
4,137	0	0	0	854	1,851	2,341	3,984	Defined Benefit Pension Plan
0	0	0	0	0	0	0	0	Cash Balance or Other Hybrid Plan
1,512	105	593	940	3,057	285	784	280	401(k) and Similar
154	9	292	415	172	16	1,927	6	Profit-Sharing
0	118	339	0	0	0	3	0	Stock Bonus/ESOP
0	319	0	0	385	389	23	0	Other
146	12	40	58	58	42	13	77	Administration Costs
472	106	9	116	304	289	405	33	Miscellaneous Benefits
4	72	0	87	106	232	46	0	Severance Pay
0	0	0	0	5	24	0	0	Child Care
145	18	8	29	153	18	66	27	Employee Education Expenditures
17	16	1	0	20	5	272	6	Discounts
305	0	0	0	21	10	21	0	Other

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TABLE 7

Employee Benefits as Cents per Hour, by Non-Manufacturing Industry Group

Type of Benefit	Total, Non-Manufacturing	Construction	Educational Services	Finance and Insurance	Health Care & Social Assistance	Hospitality (Lodging, Restaurants, Recreation & Entertainment)	Information (Data Processing, Information Services & Publishing)	Professional, Scientific, and Technical Services (Consulting, Legal, Accounting, & Network Services)
Total Number of Companies	267	24	8	55	25	5	9	29
Total Number of Full-Time Equivalent Employees	225,016	1,886	4,510	43,399	30,589	1,145	4,795	8,054
Total Benefits as Annual Cents per Hour	881.6¢	564.4¢	618.5¢	1,004.0¢	658.3¢	519.0¢	1,141.8¢	1,380.3¢
Legally Required Payments	182.8	195.9	130.1	204.0	183.2	206.7	248.3	283.4
Federally Required Payroll Taxes	146.1	129.6	125.3	180.7	134.3	114.3	225.3	250.9
Unemployment Compensation	11.0	20.0	1.1	14.0	13.6	42.7	12.9	13.6
Workers' Compensation Insurance	23.9	46.2	3.6	5.8	31.4	49.8	10.2	17.6
Other	1.8	0.1	0.1	3.6	3.8	0.0	0.0	1.3
Payments for Time Not Worked	224.6	150.2	153.0	212.2	188.1	125.7	348.7	419.8
Payments for Holidays	67.4	56.7	86.5	80.3	49.8	52.5	117.6	129.1
Paid Breaks, etc.	8.8	2.3	0.0	9.1	11.5	2.3	16.1	19.2
Sick Leave Pay	31.7	23.2	14.8	18.2	9.0	9.0	8.4	37.9
Payments for Vacations	69.0	52.5	43.4	66.6	20.3	24.2	62.4	181.0
Paid Time Off	30.1	12.6	7.7	26.1	92.1	36.5	128.3	77.4
Family and Medical Leave Pay	2.4	0.9	0.5	6.2	2.2	0.0	13.9	85.4
Other	15.3	1.9	0.1	5.6	3.2	1.2	2.0	0.1
Medically Related Payments	279.6	138.7	173.2	303.7	215.1	153.4	324.8	9.5
STD, Sickness or Accident Insurance	2.8	0.4	0.0	6.4	1.7	1.4	12.2	353.4
LTD or Wage Continuation	6.9	2.8	2.4	7.7	7.0	3.7	6.3	5.8
Medical Insurance Premiums	215.4	116.1	157.7	195.3	181.8	131.4	212.7	7.3
Dental Insurance Premiums	10.5	6.8	1.5	14.5	9.8	2.3	16.3	296.2
Vision Care	0.5	0.3	0.0	0.8	0.7	0.0	2.1	20.3
Retiree Medical Insurance Premiums	22.1	4.7	0.0	28	3.0	0.0	52.8	1.8
Life Insurance and Death	7.2	3.0	3.7	7.2	9.2	2.4	12.2	3.0
Prescription Drug Coverage	4.5	3.4	0.8	1.8	1.2	0.0	3.5	13.3
Other	7.6	1.0	0.0	35.1	0.5	0.0	0.2	1.4
Administration Costs	2.1	0.0	7.1	6.9	0.4	12.0	6.4	0.4
Retirement and Savings	181.0	77.4	139.8	258.2	64.2	26.6	176.4	3.8
Defined Benefit Pension Plan	121.2	9.8	116	154	17	0.0	94.6	241.9
Cash Balance or Other Hybrid Plan	0.7	0.0	9.4	2.4	0.0	0.0	0.0	9.9
401(k) and Similar	38.1	17.9	14.5	80.6	34.2	16.5	76.6	0.0
Profit-Sharing	11.6	47	0.0	16.2	11.2	10.0	4.6	130.1
Stock Bonus/ESOP	0.8	0.6	0.0	0.9	0.0	0.0	0.0	8.1
Other	6.2	0.9	40.1	2.2	0.0	0.0	0.0	0.0
Administration Costs	2.5	1.3	0.0	1.8	1.8	0.1	0.6	89.1
Miscellaneous Benefits	13.5	2.2	22.4	25.8	7.7	6.5	43.6	4.7
Severance Pay	7.0	0.0	0.7	15.2	4.0	1.9	10.6	81.9
Child Care	0.0	0.0	0.0	0.0	0.0	0.0	0.0	72.2
Employee Education Expenditures	3.2	2.1	18.6	6.2	2.3	1.9	2.8	0.0
Discounts	2.0	0.0	0.1	0.8	1.2	0.2	27.3	5.4
Other	1.4	0.1	3.1	3.6	0.2	2.6	2.9	3.8
								0.4

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Public Utilities	Rental, Leasing and Real Estate	Retail Trade	Support and Management Services (Management Companies & Administrative Support)	Trade Associations, Business Federations & Chambers of Commerce	Transportation, Distribution & Warehousing	Wholesale Trade	Other Non-Manufacturing Industry	Type of Benefit
13	10	18	6	33	10	13	9	Total Number of Companies
6,177	19,430	1,193	271	1,218	3,419	13,749	85,185	Total Number of Full-Time Equivalent Employees
1,298.3¢	497.1¢	583.9¢	741.2¢	835.3¢	898.7¢	1,033.1¢	900.9¢	Total Benefits as Annual Cents per Hour
222.6	202.8	234.7	245.6	229.8	205.8	226.0	144.0	Legally Required Payments
186.7	109.1	146.8	206.7	200.1	153.8	166.2	121.2	Federally Required Payroll Taxes
5.2	22.6	10.2	24.2	23.4	15.8	22.1	3.6	Unemployment Compensation
23.4	71.1	39.8	14.6	6.3	32.5	37.6	18.9	Workers' Compensation Insurance
7.3	0.0	38.0	0.0	0.1	3.7	0.0	0.3	Other
362.7	105.9	132.1	236.0	200.9	247.0	252.0	238.7	Payments for Time Not Worked
89.5	41.6	61.6	81.9	52.1	68.1	49.4	65.4	Payments for Holidays
44.7	0.1	5.0	5.7	42.6	27.8	37.3	0.5	Paid Breaks, etc.
54.0	17.4	9.7	47.0	13.5	23.5	13.4	54.3	Sick Leave Pay
139.8	258.2	64.2	26.6	176.4	241.9	286.0	11.8	Payments for Vacations
27.2	3.5	7.6	0.0	49.8	26.3	69.0	0.8	Paid Time Off
2.4	5.7	0.0	0.0	1.8	3.4	0.0	0.0	Family and Medical Leave Pay
14.0	1.6	1.3	0.5	2.0	4.3	15.9	31.2	Other
404.4	171.5	157.4	180.3	166.3	307.4	290.9	307.7	Medically Related Payments
1.3	1.2	1.0	1.1	5.1	6.4	8.9	0.0	STD, Sickness or Accident Insurance
12.2	0.8	0.9	4.2	9.9	9.2	6.4	7.9	LTD or Wage Continuation
335.2	137.9	70.1	162.6	103.4	266.9	192.1	251	Medical Insurance Premiums
18.0	5.0	1.4	5.7	15.1	10.1	9.5	9.2	Dental Insurance Premiums
0.3	0.2	0.0	0.0	0.4	0.0	1.1	0.2	Vision Care
24.5	0.1	0.0	0.0	5.0	0.0	24.3	33.9	Retiree Medical Insurance Premiums
9.0	5.2	1.2	5.8	10.2	2.5	18.1	4.7	Life Insurance and Death
0.0	21.0	3.2	0.5	0.3	0.0	30	0.3	Prescription Drug Coverage
3.8	0.0	79.6	0.3	6.9	0.2	0.3	0.5	Other
0.0	0.0	0.1	0.0	10.0	12.1	0.1	0.1	Administration Costs
286.0	11.8	59.2	73.9	223.1	124.0	244.7	209.0	Retirement and Savings
198.9	0.0	0.0	0.0	43.1	89.3	112.6	191.6	Defined Benefit Pension Plan
0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	Cash Balance or Other Hybrid Plan
72.7	5.1	28.5	48.9	147.9	13.4	37.7	13.5	401(k) and Similar
7.4	0.5	13.7	21.9	8.7	0.6	92.7	0.3	Profit-Sharing
0.0	5.7	15.2	0.0	0.0	0.0	0.1	0.0	Stock Bonus/ESOP
0.0	15.3	0.0	0.0	20.3	18.7	1.1	0.0	Other
7.0	0.6	1.8	3.1	2.9	2.0	0.6	3.7	Administration Costs
22.7	5.1	0.4	5.6	15.2	14.5	19.5	1.6	Miscellaneous Benefits
0.2	3.5	0.0	4.2	5.1	11.7	2.2	0.0	Severance Pay
0.0	0.0	0.0	0.0	0.2	1.2	0.0	0.0	Child Care
7.0	0.9	0.4	1.4	7.9	0.9	3.2	1.3	Employee Education Expenditures
0.8	0.7	0.0	0.0	0.9	0.2	13.1	0.3	Discounts
14.7	0.0	0.0	0.0	1.0	0.5	1.0	0.0	Other

TABLE 8

Employee Benefits as a Percentage of Payroll, by Non-Manufacturing Industry Group

Type of Benefit	Total, Non-Manufacturing	Construction	Educational Services	Finance and Insurance	Health Care & Social Assistance	Hospitality (Lodging, Restaurants, Recreation & Entertainment)	Information (Data Processing, Information Services & Publishing)	Professional, Scientific, and Technical Services (Consulting, Legal, Accounting, & Network Services)
Total Number of Companies	267	24	8	55	25	5	9	29
Total Number of Full-Time Equivalent Employees	225,016	1,886	4,510	43,399	30,589	1,145	4,795	8,054
Total Benefits as Percent of Payroll	44.0%	28.7%	36.2%	37.9%	31.6%	35.9%	37.4%	38.0%
Legally Required Payments	9.2	10.4	7.5	7.8	9.9	14.0	8.0	7.9
Federally Required Payroll Taxes	7.2	6.8	7.3	6.9	7.1	7.3	7.2	7.0
Unemployment Compensation	0.5	1.1	0.1	0.5	0.6	2.1	0.4	0.4
Workers' Compensation Insurance	1.4	2.5	0.2	0.2	2.0	4.6	0.4	0.5
Other	0.1	0.0	0.0	0.1	0.1	0.0	0.0	0.0
Payments for Time Not Worked	11.2	7.6	9.1	8.2	8.2	7.9	11.1	11.5
Payments for Holidays	3.3	2.9	5.2	3.1	2.5	3.5	3.7	3.6
Paid Breaks, etc.	0.4	0.1	0.0	0.4	0.5	0.1	0.7	0.5
Sick Leave Pay	1.8	1.1	0.9	0.7	0.3	0.5	0.3	1.1
Payments for Vacations	3.5	2.6	2.7	2.4	0.8	1.4	2.4	4.1
Paid Time Off	1.2	0.8	0.3	1.2	3.7	2.4	3.5	2.0
Family and Medical Leave Pay	0.1	0.1	0.0	0.2	0.1	0.0	0.5	0.0
Other	0.9	0.1	0.0	0.2	0.1	0.1	0.1	0.3
Medically Related Payments	14.2	6.9	10.1	11.3	10.4	11.5	10.7	9.8
STD, Sickness or Accident Insurance	0.1	0.0	0.0	0.2	0.1	0.0	0.3	0.1
LTD or Wage Continuation	0.3	0.1	0.1	0.3	0.2	0.2	0.2	0.2
Medical Insurance Premiums	11.1	5.7	9.2	7.1	9.0	9.8	7.1	8.3
Dental Insurance Premiums	0.5	0.3	0.1	0.5	0.4	0.0	0.4	0.6
Vision Care	0.0	0.0	0.0	0.0	0.0	0.0	0.1	0.1
Retiree Medical Insurance Premiums	1.1	0.3	0.0	1.0	0.1	0.0	1.9	0.1
Life Insurance and Death	0.3	0.2	0.2	0.3	0.4	0.2	0.4	0.3
Prescription Drug Coverage	0.2	0.2	0.0	0.1	0.0	0.0	0.1	0.1
Other	0.3	0.1	0.0	1.4	0.0	0.0	0.0	0.0
Administration Costs	0.1	0.0	0.4	0.3	0.0	1.2	0.2	0.1
Retirement and Savings	8.9	3.7	8.3	9.7	2.9	2.1	6.3	6.7
Defined Benefit Pension Plan	6.5	0.4	7.3	5.8	0.7	0.0	3.7	0.2
Cash Balance or Other Hybrid Plan	0.0	0.0	0.4	0.1	0.0	0.0	0.0	0.0
401(k) and Similar	1.6	0.9	0.7	3.1	1.8	1.1	2.4	3.7
Profit-Sharing	0.5	2.2	0.0	0.6	0.3	1.0	0.1	0.3
Stock Bonus/ESOP	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other	0.2	0.1	2.4	0.1	0.0	0.0	0.0	2.4
Administration Costs	0.1	0.1	0.0	0.1	0.1	0.0	0.0	0.1
Miscellaneous Benefits	0.5	0.1	1.2	1.0	0.3	0.4	1.3	2.0
Severance Pay	0.2	0.0	0.0	0.5	0.2	0.0	0.4	1.7
Child Care	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Employee Education Expenditures	0.1	0.1	0.9	0.3	0.1	0.1	0.1	0.2
Discounts	0.1	0.0	0.0	0.0	0.1	0.0	0.8	0.1
Other	0.1	0.0	0.2	0.2	0.0	0.3	0.1	0.0

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Public Utilities	Rental, Leasing and Real Estate	Retail Trade	Support and Management Services (Management Companies & Administrative Support)	Trade Associations, Business Federations & Chambers of Commerce	Transportation, Distribution & Warehousing	Wholesale Trade	Other Non-Manufacturing Industry	Type of Benefit
13	10	18	6	33	10	13	9	Total Number of Companies
6,177	19,430	1,193	271	1,218	3,419	13,749	85,185	Total Number of Full-Time Equivalent Employees
48.3%	32.0%	27.8%	26.3%	28.6%	44.5%	46.6%	55.8%	Total Benefits as Percent of Payroll
8.9	13.2	11.0	9.3	7.8	10.1	10.2	8.9	Legally Required Payments
7.2	7.0	7.0	7.7	6.7	7.4	7.5	7.5	Federally Required Payroll Taxes
0.3	1.5	0.5	1.0	0.8	0.7	1.0	0.2	Unemployment Compensation
0.9	4.8	1.9	0.6	0.3	1.8	1.8	1.2	Workers' Compensation Insurance
0.5	0.0	1.5	0.0	0.0	0.2	0.0	0.0	Other
13.5	6.6	6.3	8.5	7.6	11.8	11.4	14.9	Payments for Time Not Worked
3.3	2.5	2.9	2.9	2.0	3.4	2.2	4.0	Payments for Holidays
1.7	0.0	0.3	0.5	1.5	1.3	1.7	0.0	Paid Breaks, etc.
1.9	1.1	0.5	1.8	0.5	1.0	0.6	3.4	Sick Leave Pay
4.6	2.1	2.1	3.2	1.5	4.2	3.0	5.4	Payments for Vacations
1.4	0.3	0.5	0.0	1.9	1.5	3.3	0.0	Paid Time Off
0.1	0.4	0.0	0.0	0.1	0.2	0.0	0.0	Family and Medical Leave Pay
0.5	0.1	0.1	0.0	0.1	0.2	0.7	2.0	Other
15.1	11.2	7.3	5.7	5.6	16.0	13.1	19.0	Medically Related Payments
0.1	0.1	0.0	0.0	0.2	0.3	0.4	0.0	STD, Sickness or Accident Insurance
0.5	0.0	0.0	0.1	0.3	0.4	0.3	0.5	LTD or Wage Continuation
12.6	8.9	3.8	5.1	3.5	13.9	8.7	15.5	Medical Insurance Premiums
0.7	0.4	0.1	0.2	0.4	0.6	0.4	0.5	Dental Insurance Premiums
0.0	0.0	0.0	0.0	0.0	0.0	0.1	0.0	Vision Care
0.8	0.0	0.0	0.0	0.1	0.0	1.1	2.1	Retiree Medical Insurance Premiums
0.3	0.3	0.1	0.2	0.3	0.1	0.8	0.3	Life Insurance and Death
0.0	1.4	0.1	0.0	0.0	0.0	1.4	0.0	Prescription Drug Coverage
0.1	0.0	3.2	0.0	0.2	0.0	0.0	0.0	Other
0.0	0.0	0.0	0.0	0.4	0.7	0.0	0.0	Administration Costs
10.0	0.7	3.1	2.6	7.2	6.1	11.0	13.0	Retirement and Savings
6.9	0.0	0.0	0.0	1.8	4.5	4.9	11.9	Defined Benefit Pension Plan
0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	Cash Balance or Other Hybrid Plan
2.7	0.3	1.3	1.9	4.3	0.6	1.8	0.8	401(k) and Similar
0.3	0.0	0.8	0.6	0.1	0.0	4.2	0.0	Profit-Sharing
0.0	0.4	0.9	0.0	0.0	0.0	0.0	0.0	Stock Bonus/ESOP
0.0	0.7	0.0	0.0	0.9	0.8	0.1	0.0	Other
0.2	0.0	0.1	0.1	0.1	0.1	0.0	0.2	Administration Costs
0.8	0.3	0.0	0.2	0.5	0.5	0.9	0.1	Miscellaneous Benefits
0.0	0.2	0.0	0.2	0.1	0.4	0.1	0.0	Severance Pay
0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	Child Care
0.3	0.1	0.0	0.0	0.2	0.0	0.1	0.1	Employee Education Expenditures
0.0	0.0	0.0	0.0	0.0	0.0	0.6	0.0	Discounts
0.5	0.0	0.0	0.0	0.0	0.0	0.0	0.0	Other

USCC 56616

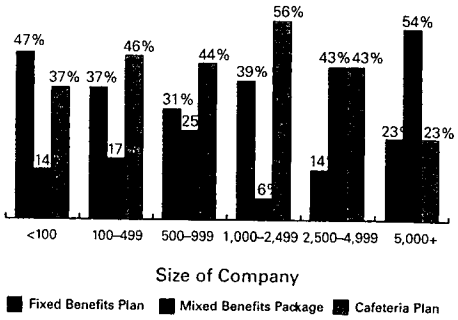
Size of Company Variations

Introduction to Company Size

Overall Benefits

A fixed benefits package, offered by 42% of all companies, is most popular with smaller companies. It is provided by 47% of the smallest companies, and about 23% of the largest companies. The larger the company, the more likely it is to provide employees with additional choices through a mixed benefits package or cafeteria plan; 54% of the largest companies surveyed give employees the freedom to select benefits through a cafeteria plan. Mixed benefits packages surpass cafeteria plans in popularity in all company size categories except for the 5,000+ category, where the cafeteria plan is offered by 54% of companies, and 23% offer mixed benefits packages.

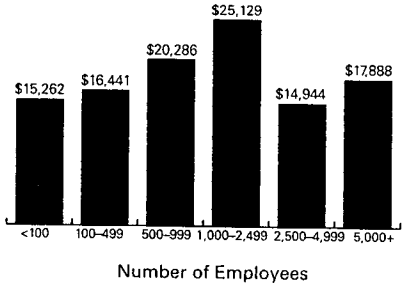
Type of Benefits Plan Offered



Value of Benefits

Employees at participating companies received average annual benefits worth $18,489, down from $20,158 reported in 2004. Consistent with past years' studies, employees at mid-sized companies tend to receive more benefits in dollar terms than those at the largest companies surveyed, and considerably more than those at the smallest companies.

Value of Employee Benefits



Benefits Offered to Full-Time & Part-Time Workers

In general, larger companies offer more benefits to a greater percentage of their employees. While there is a slight difference in benefits offered to full-time employees, there tends to be significant differences with part-time employees. For example, less than one-fourth of the small companies that participated offer part-time employees retirement plans or health insurance, compared to about two-thirds of the largest companies.

	Number of Employees											
	Under 100		100-499		500-999		1,000-2,499		2,500-4,999		5,000+	
	FT	PT	FT	PT	FT	PT	FT	PT	FT	PT	FT	PT
Paid Vacation	94%	23%	100%	46%	100%	62%	100%	74%	100%	43%	100%	69%
Paid Holidays	93%	29%	100%	44%	100%	56%	100%	74%	100%	43%	100%	62%
Health Insurance	90%	12%	100%	26%	100%	44%	100%	58%	100%	14%	100%	62%
Retirement Plan(s)	80%	19%	90%	48%	94%	59%	100%	74%	100%	29%	100%	69%
Life Insurance	68%	9%	93%	18%	97%	41%	95%	53%	100%	14%	100%	46%
Dental	55%	8%	90%	28%	100%	44%	100%	58%	100%	14%	100%	54%
Paid Sick Leave	69%	16%	79%	34%	91%	35%	90%	53%	86%	43%	77%	31%
Long-term Disability	51%	8%	83%	18%	100%	27%	90%	32%	100%	14%	100%	23%
Short-term Disability	46%	10%	71%	20%	74%	21%	79%	37%	86%	14%	85%	23%
Vision	30%	5%	59%	19%	74%	38%	53%	32%	71%	14%	85%	54%

Flexible Work Schedules & Spending Accounts

All benefits categorized as flexible (e.g., Flexible Spending Accounts for transportation and for child care, and flexible/compressed work schedules) are more common in the larger participating firms than the smaller companies. Also, Flexible Spending Accounts for child care are the most popular flex accounts and have become more widely accepted among companies with more than 100 employees in the past several years.

Flexible Spending Account Trends

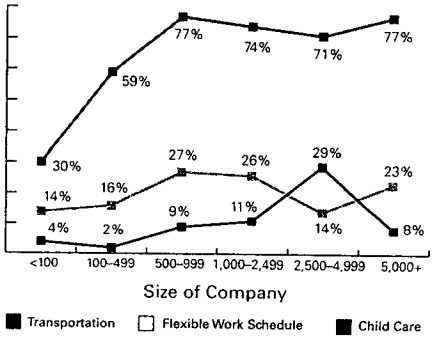


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TABLE 9

Employee Benefits as Annual Dollars per Employee, by Company Size

Type of Benefit	Total, All Companies	Under 100 Employees	100–499 Employees	500–999 Employees	1,000–2,499 Employees	2,500–4,999 Employees	5,000+ Employees
Total Number of Companies	374	215	87	34	19	7	12
Total Number of Full-Time Equivalent Employees	304,416	6,720	20,346	24,171	33,876	24,800	194,504
Total Benefits as Annual Dollars	$18,489	$15,262	$16,441	$20,286	$25,129	$14,944	$17,888
Legally Required Payments	3,912	4,725	4,414	4,603	4,985	3,908	3,559
Federally Required Payroll Taxes	3,121	3,330	3,408	3,563	4,279	2,967	2,846
Unemployment Compensation	264	435	320	302	259	311	243
Workers' Compensation Insurance	497	852	622	446	442	630	470
Other	30	109	64	291	4	0	0
Payments for Time Not Worked	4,736	4,148	4,704	5,082	6,063	4,221	4,551
Payments for Holidays	1,449	1,228	1,407	1,419	2,033	1,341	1,377
Paid Breaks, etc.	250	392	664	561	336	251	148
Sick Leave Pay	567	411	442	429	576	236	644
Payments for Vacations	1,505	1,160	1,578	1,492	2,270	762	1,472
Paid Time Off	678	884	538	1,047	614	1,544	540
Family and Medical Leave Pay	41	5	18	44	61	65	38
Other	249	92	79	90	174	21	333
Medically Related Benefit Payments	5,924	3,911	4,152	6,498	8,429	4,153	5,897
STD, Sickness or Accident Insurance	83	142	56	65	110	72	82
LTD or Wage Continuation	135	83	124	184	125	67	143
Medical Insurance Premiums	4,401	3,148	3,243	4,928	5,594	3,020	4,468
Dental Insurance Premiums	237	180	205	449	318	153	213
Vision Care	11	6	11	24	21	22	6
Retiree Medical Insurance Premiums	521	42	129	230	890	57	609
Life Insurance and Death	132	179	123	307	177	88	107
Prescription Drug Coverage	205	34	99	111	98	120	263
Other	155	56	142	4	964	415	4
Administration Costs	44	42	21	197	132	139	1
Retirement and Savings	3,612	2,353	2,778	3,723	5,029	2,245	3,657
Defined Benefit Pension Plan	2,147	351	962	1,528	2,776	392	2,578
Cash Balance or Other Hybrid Plan	81	0	38	248	0	0	92
401(k) and Similar	901	858	1,230	1,007	1,647	1,422	659
Profit-Sharing	313	857	313	722	56	385	279
Stock Bonus/ESOP	22	130	137	19	7	0	12
Other	104	86	26	90	506	422	4
Administration Costs	44	74	78	109	37	27	34
Miscellaneous Benefits	305	125	393	379	623	416	223
Severance Pay	127	12	137	244	319	256	65
Child Care	1	2	5	9	0	0	0
Employee Education Expenditures	68	28	113	60	76	111	59
Discounts	70	11	16	40	113	27	79
Other	39	72	122	27	115	22	20

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TABLE 10

Employee Benefits as Cents per Hour, by Company Size

Type of Benefit	Total, All Companies	Under 100 Employees	100–499 Employees	500–999 Employees	1,000–2,499 Employees	2,500–4,999 Employees	5,000+ Employees
Total Number of Companies	374	215	87	34	19	7	12
Total Number of Full-Time Equivalent Employees	304,416	6,720	20,346	24,171	33,876	24,800	194,504
Total Benefits as Cents per Hour	890.3¢	729.5¢	792.0¢	983.0¢	1,199.4¢	704.7¢	864.5¢
Legally Required Payments	188.0	224.0	211.9	222.9	236.0	184.5	172.0
Federally Required Payroll Taxes	150.1	158.6	164.0	172.9	203.4	139.5	137.6
Unemployment Compensation	12.6	20.3	15.2	14.5	12.0	14.7	11.7
Workers' Compensation Insurance	23.7	39.8	29.5	21.5	20.3	30.3	22.6
Other	1.5	5.3	3.2	14.0	0.2	0.0	0.0
Payments for Time Not Worked	227.4	199.3	227.3	245.2	288.0	197.1	219.5
Payments for Holidays	69.7	58.9	68.0	68.5	96.8	63.1	66.5
Paid Breaks, etc.	11.9	18.5	31.8	27.0	15.7	11.3	7.1
Sick Leave Pay	27.3	19.9	21.5	20.7	27.6	11.3	31.0
Payments for Vacations	72.3	55.7	76.5	72.0	107.4	36.7	71.0
Paid Time Off	32.3	42.9	26.1	50.5	29.5	71.0	25.9
Family and Medical Leave Pay	2.0	0.2	0.9	2.1	2.9	2.8	1.9
Other	11.9	4.5	3.6	4.4	8.1	1.0	16.0
Medically Related Benefit Payments	285.5	187.3	199.1	315.2	403	198	284.9
STD, Sickness or Accident Insurance	4.0	6.9	2.7	3.2	5.3	3.5	4.0
LTD or Wage Continuation	6.5	4.0	6.0	8.9	6.0	3.2	6.9
Medical Insurance Premiums	211.9	150.5	154.8	239.6	265.8	144	215.8
Dental Insurance Premiums	11.4	8.6	10	21.3	15.1	7.2	10.3
Vision Care	0.5	0.3	0.5	1.2	1.0	0.9	0.3
Retiree Medical Insurance Premiums	25.2	1.8	6.3	11.2	42.9	2.7	29.5
Life Insurance and Death	6.4	8.8	6.0	14.8	8.5	4.0	5.2
Prescription Drug Coverage	9.8	1.7	4.8	5.3	4.4	5.8	12.6
Other	7.6	2.8	7.1	0.2	47.9	19.9	0.2
Administration Costs	2.1	2.0	0.8	9.5	6.4	6.7	0.0
Retirement and Savings	176.3	112.9	134.6	181.4	242.5	105.3	177.3
Defined Benefit Pension Plan	105.8	17.4	46.8	74.0	134.2	18.8	125.1
Cash Balance or Other Hybrid Plan	4.0	0.0	2.1	13.0	0.0	0.0	4.4
401(k) and Similar	43.3	41.2	59.2	48.8	79.2	65.8	31.9
Profit-Sharing	15.1	41.0	15.1	35.1	2.7	18.5	13.4
Stock Bonus/ESOP	1.0	5.8	6.5	0.9	0.4	0.0	0.6
Other	5.0	4.1	1.4	4.3	24.3	20.2	0.2
Administration Costs	2.1	3.5	3.8	5.3	1.8	1.3	1.6
Miscellaneous Benefits	14.7	5.9	19.1	18.3	29.8	19.8	10.9
Severance Pay	6.1	0.6	6.6	11.7	15.4	12.2	3.2
Child Care	0.1	0.1	0.2	0.5	0.0	0.0	0.0
Employee Education Expenditures	3.3	1.3	5.7	2.9	3.6	5.3	2.9
Discounts	3.4	0.5	0.8	1.9	5.4	1.3	3.8
Other	1.9	3.4	5.8	1.3	5.5	1.1	0.9

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TABLE 11

Employee Benefits as a Percentage of Payroll, by Company Size

Type of Benefit	Total, All Companies	Under 100 Employees	100–499 Employees	500–999 Employees	1,000–2,499 Employees	2,500–4,999 Employees	5,000+ Employees
Total Number of Companies	374	215	87	34	19	7	12
Total Number of Full-Time Equivalent Employees	304,416	6,720	20,346	24,171	33,876	24,800	194,504
Total Benefits as Percent of Payroll	44.2%	32.8%	34.4%	40.6%	41.6%	34.5%	47.7%
Legally Required Payments	9.3	10.7	9.5	9.4	8.3	9	9.4
Federally Required Payroll Taxes	7.2	7.3	7.2	7.1	6.9	6.9	7.4
Unemployment Compensation	0.6	1.0	0.7	0.6	0.5	0.7	0.6
Workers' Compensation Insurance	1.4	2.1	1.5	1.1	0.9	1.4	1.4
Other	0.1	0.3	0.1	0.6	0.0	0.0	0.0
Payments for Time Not Worked	11.1	8.7	9.9	10.1	9.4	9.7	12.0
Payments for Holidays	3.4	2.6	2.8	2.9	3.2	3.2	3.6
Paid Breaks, etc.	0.6	1.1	1.6	1.0	0.6	0.5	0.4
Sick Leave Pay	1.5	0.8	0.9	0.8	0.9	0.6	1.8
Payments for Vacations	3.6	2.4	3.2	3.0	3.6	1.9	4.0
Paid Time Off	1.3	1.7	1.2	2.1	0.7	3.3	1.0
Family and Medical Leave Pay	0.1	0.0	0.0	0.1	0.1	0.1	0.1
Other	0.7	0.2	0.2	0.2	0.3	0.0	1.0
Medically Related Benefit Payments	14.5	8.5	8.9	13.4	14.6	9.4	16.1
STD, Sickness or Accident Insurance	0.2	0.2	0.1	0.1	0.2	0.2	0.2
LTD or Wage Continuation	0.3	0.2	0.2	0.3	0.2	0.2	0.4
Medical Insurance Premiums	10.9	7.0	7.1	10.3	9.4	6.9	12.3
Dental Insurance Premiums	0.5	0.4	0.4	0.9	0.5	0.3	0.5
Vision Care	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Retiree Medical Insurance Premiums	1.4	0.1	0.2	0.4	1.8	0.2	1.8
Life Insurance and Death	0.3	0.3	0.2	0.6	0.3	0.2	0.3
Prescription Drug Coverage	0.6	0.1	0.2	0.2	0.2	0.3	0.7
Other	0.3	0.1	0.3	0.0	1.8	0.8	0.0
Administration Costs	0.1	0.1	0.1	0.4	0.2	0.4	0.0
Retirement and Savings	8.6	4.6	5.4	7.2	8.3	5.4	9.6
Defined Benefit Pension Plan	5.6	0.7	1.7	3.3	5.1	1.1	7.2
Cash Balance or Other Hybrid Plan	0.2	0.0	0.1	0.5	0.0	0.0	0.2
401(k) and Similar	1.8	1.6	2.3	1.8	2.4	3.3	1.5
Profit-Sharing	0.7	1.6	0.7	1.2	0.1	0.9	0.6
Stock Bonus/ESOP	0.1	0.3	0.4	0.0	0.0	0.0	0.0
Other	0.2	0.2	0.1	0.2	0.6	1.0	0.0
Administration Costs	0.1	0.2	0.1	0.2	0.0	0.1	0.1
Miscellaneous Benefits	0.6	0.3	0.8	0.5	0.9	0.9	0.6
Severance Pay	0.2	0.0	0.3	0.3	0.4	0.5	0.1
Child Care	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Employee Education Expenditures	0.2	0.1	0.2	0.1	0.1	0.3	0.1
Discounts	0.2	0.0	0.0	0.1	0.2	0.1	0.2
Other	0.1	0.2	0.2	0.1	0.2	0.1	0.1

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TABLE 12

Employee Benefits as Annual Dollars per Employee, by Size of Company and Industry Group

(n = number of companies reporting costs in survey by industry and size)

Industry Group	Total, All Company Sizes		Size of Company: Under 100 Employees		100–499 Employees		500–999 Employees		1,000–2,499 Employees		2,500-4,999 Employees		5,000+ Employees	
	$	n	$	n	$	n	$	n	$	n	$	n	$	n
Total, All Companies	18,489	374	15,262	215	16,441	87	20,286	34	25,129	19	14,944	7	17,888	12
Total, All Manufacturing	19,232	107	13,855	65	14,704	27	20,405	4	21,912	6	16,612	1	19,504	4
Chemicals (Including Pharmaceutical Companies)	25,748	9	16,416	7	—	—	—	—	*	2	—	—	—	—
Computer, Electronic, and Electrical Products/Components	19,952	4	*	1	—	—	*	1	*	1	—	—	*	1
Fabricated Metal Products	16,346	17	14,126	12	*	2	*	1	*	1	*	1	—	—
Food, Beverage, and Tobacco	16,273	9	19,708	5	15,491	4	—	—	—	—	—	—	—	—
Industrial Machinery & Equipment	24,081	9	12,085	5	16,055	3	—	—	*	1	—	—	—	—
Instruments and Related Products	17,872	3	*	2	*	1	—	—	—	—	—	—	—	—
Non-Metallic Products (Rubber, Leather, Plastic, Glass, Clay)	20,476	20	10,132	11	12,519	7	—	—	*	1	—	—	*	1
Primary Metal Products (Steel, Smelting & Wire Drawing)	14,008	5	19,533	4	—	—	—	—	—	—	—	—	*	1
Printing & Related Support Activities	10,888	2	—	—	*	2	—	—	—	—	—	—	—	—
Pulp, Paper, Lumber, and Furniture	10,228	11	10,286	8	10,179	3	—	—	—	—	—	—	—	—
Textile & Apparel	20,576	3	*	1	*	1	*	1	—	—	—	—	—	—
Transportation Equipment	18,499	5	*	2	*	1	*	1	—	—	—	—	*	1
Other Manufacturing Industries	16,307	10	14,981	7	16,759	3	—	—	—	—	—	—	—	—
Total, All Non-Manufacturing	18,228	267	16,150	150	17,057	60	20,271	30	26,634	13	14,681	6	17,256	8
Construction	12,193	24	11,676	20	11,855	3	*	1	—	—	—	—	—	—
Educational Services	12,525	8	22,179	3	13,273	3	*	1	—	—	*	1	—	—
Finance and Insurance	20,436	55	20,165	26	16,492	12	24,166	8	24,245	4	13,999	3	*	2
Health Care & Social Assistance	13,629	25	11,142	5	11,181	11	24,179	6	*	1	—	—	*	2
Hospitality (Lodging, Restaurants, Recreation & Entertainment)	10,789	5	*	1	16,627	3	*	1	—	—	—	—	—	—
Information (Data Processing, Information Services & Publishing)	23,672	9	18,949	4	25,731	3	—	—	*	2	—	—	—	—
Professional, Scientific, and Technical Services (Consulting, Legal, Accounting, & Network Services)	28,591	29	22,639	20	*	2	24,000	4	33,129	3	—	—	—	—
Public Utilities	27,005	13	24,712	3	28,727	6	*	2	*	2	—	—	—	—
Rental, Leasing and Real Estate	10,335	10	11,255	5	*	2	*	1	—	—	*	1	*	1
Retail Trade	12,060	18	10,439	15	13,044	3	—	—	—	—	—	—	—	—
Support and Management Services (Management Companies & Administrative Support)	14,371	6	16,229	5	*	1	—	—	—	—	—	—	—	—
Trade Associations, Business Federations & Chambers of Commerce	16,749	33	16,497	31	*	2	—	—	—	—	—	—	—	—
Transportation, Distribution and Warehousing	18,742	10	*	2	14,228	5	21,749	3	—	—	—	—	—	—
Wholesale Trade	21,491	13	12,047	7	18,184	3	*	1	—	—	*	1	*	1
Other Non-Manufacturing Industries	18,739	9	8,772	3	*	1	*	2	*	1	—	—	*	2

*In categories where fewer than three firms reported, data are not shown separately; however, totals reflect all data.
—No company representation.

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TABLE 13

Employee Benefits as a Percentage of Payroll, by Size of Company and Industry Group

(n = number of companies reporting costs in survey by industry and size)

Industry Group	Total, All Company Sizes		Size of Company: Under 100 Employees		100–499 Employees		500–999 Employees		1,000–2,499 Employees		2,500–4,999 Employees		5,000+ Employees	
	%	n	%	n	%	n	%	n	%	n	%	n	%	n
Total, All Companies	44.2	374	32.8	215	34.4	87	40.6	34	41.6	19	34.5	7	47.7	12
Total, All Manufacturing	44.6	107	33.1	65	35.6	27	36.1	4	37.2	6	37.1	1	48.4	4
Chemicals (Including Pharmaceutical Companies)	35.3	9	34.3	7	—	—	—	—	*	2	—	—	—	—
Computer, Electronic, and Electrical Products/Components	36.9	4	*	1	—	—	*	1	*	1	—	—	*	1
Fabricated Metal Products	35.9	17	31.8	12	*	2	*	1	*	1	*	1	—	—
Food, Beverage, and Tobacco	32.0	9	30.4	5	32.3	4	—	—	—	—	—	—	—	—
Industrial Machinery & Equipment	43.8	9	26.0	5	45.7	3	—	—	*	1	—	—	—	—
Instruments and Related Products	50.1	3	*	2	*	1	—	—	—	—	—	—	—	—
Non-Metallic products (Rubber, Leather, Plastic, Glass, Clay)	64.5	20	32.1	11	34.2	7	—	—	*	1	—	—	*	1
Primary Metal Products (Steel, Smelting & Wire Drawing)	24.0	5	36.2	4	—	—	—	—	—	—	—	—	*	1
Printing & Related Support Activities	24.0	2	—	—	*	2	—	—	—	—	—	—	—	—
Pulp, Paper, Lumber, and Furniture	30.2	11	34.4	8	26.7	3	—	—	—	—	—	—	—	—
Textile & Apparel	41.4	3	*	1	*	1	*	1	—	—	—	—	—	—
Transportation Equipment	36.9	5	*	2	*	1	*	1	—	—	—	—	*	1
Other Manufacturing Industries	33.8	10	35.1	7	33.3	3	—	—	—	—	—	—	—	—
Total, All Non-Manufacturing	44.0	267	32.7	150	34.0	60	41.1	30	43.6	13	34.1	6	47.4	8
Construction	28.7	24	28.5	20	29.2	3	*	1	—	—	—	—	—	—
Educational Services	36.2	8	41.6	3	31.2	3	*	1	—	—	*	1	—	—
Finance and Insurance	37.9	55	35.9	26	33.8	12	45.5	8	41.9	4	30.7	3	*	2
Health Care & Social Assistance	31.6	25	38.8	5	32.1	11	42.5	6	*	1	—	—	*	2
Hospitality (Lodging, Restaurants, Recreation & Entertainment)	35.9	5	*	1	34.3	3	*	1	—	—	—	—	—	—
Information (Data Processing, Information Services & Publishing	37.4	9	31.6	4	38.1	3	—	—	*	2	—	—	—	—
Professional, Scientific, and Technical Services (Consulting, Legal, Accounting, & Network Services)	38.0	29	35.6	20	*	2	36.7	4	40.0	3	—	—	—	—
Public Utilities	48.3	13	47.3	3	48.4	6	*	2	*	2	—	—	—	—
Rental, Leasing and Real Estate	32.0	10	28.2	5	*	2	*	1	—	—	*	1	*	1
Retail Trade	27.8	18	27.6	15	27.9	3	—	—	—	—	—	—	—	—
Support and Management Services (Management Companies & Administrative Support)	26.3	6	27.1	5	*	1	—	—	—	—	—	—	—	—
Trade Associations, Business Federations & Chambers of Commerce	28.6	33	32.7	31	*	2	—	—	—	—	—	—	—	—
Transportation, Distribution and Warehousing	44.5	10	*	2	30.0	5	54.3	3	—	—	—	—	—	—
Wholesale Trade	46.6	13	32.7	7	37.4	3	*	1	—	—	*	1	*	1
Other Non-Manufacturing Industries	55.8	9	19.9	3	*	1	*	2	*	1	—	—	*	2

*In categories where fewer than three firms reported, data are not shown separately; however, totals reflect all data.
—No company representation.

USCC 56622

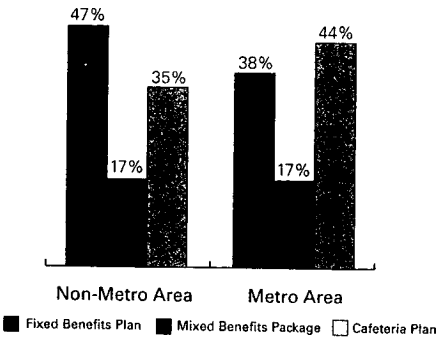
Regional Variations

Introduction to Geographic and Metropolitan Areas

Overall Benefits

Over 200 organizations responding to this survey are located in a metro geographic area, representing over 50% of the participating firms. A larger percentage of metro area participants offer their employees greater benefits variety through a mixed benefits package than non-metro area firms. Non-metro area firms are more apt to offer a fixed benefits plan over metro area companies, mainly due to the fact that there are more large companies located in metro areas, and larger companies tend to offer more flexible benefits plans (see page 22, "Introduction to Company Size").

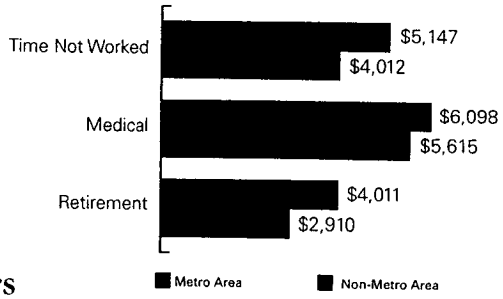
Type of Benefits Plan Offered



Value of Benefits

Total annual dollars of employee benefits per employee for metro vs. non-metro area firms are $19,462 vs. $16,775, respectively. When separated by benefit components, payments for time not worked are $1,135 per employee higher in metro areas than in non-metro areas, and medical payments are about $483 per employee higher. Retirement payments are $1,101 higher per employee at metropolitan area firms.

Value of Employee Benefits



Benefits Offered to Full-Time & Part-Time Workers

	Non-Metro Area		Metro Area	
	FT	PT	FT	PT
Paid Vacation	96%	30%	96%	40%
Paid Holidays	95%	34%	96%	42%
Health Insurance	92%	14%	95%	28%
Retirement Plan(s)	83%	28%	87%	37%
Life Insurance	77%	13%	79%	20%
Dental	63%	14%	78%	24%
Paid Sick Leave	68%	17%	79%	30%
Long-term Disability	54%	8%	76%	18%
Short-term Disability	54%	12%	59%	18%
Vision	40%	8%	46%	18%

In general, more of the surveyed companies in metro areas offer benefits to full and part-time employees than those in non-metro areas. For example, 79% of organizations located in metro areas offer some type of paid sick leave to full-time employees compared to 68% of those organizations located outside a metro area. Another example is dental coverage (78% vs. 63%). A higher percentage of participating companies from metro areas offer benefits to full-time and part-time employees in every category.

Flexible Work Schedules & Spending Accounts

Benefits of pre-tax Flexible Spending Accounts (e.g., transportation and child care) and flexible/compressed work schedules are offered to more metro area organizations than non-metro area companies. About half (49%) of the surveyed organizations in large cities provide child care for their full-time workers, while only four out of ten (38%) non-metro area companies offer the same benefit. Fifteen percent of the companies located in metro areas offer a flexible work schedule and 7% offer transportation spending accounts. As for non-metro organizations, one in ten offer a flexible work schedule and one in 50 provide transportation spending accounts for their full-time employees.

Flexible Spending Account Trends

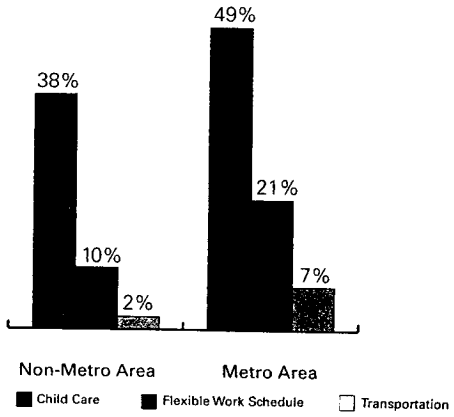


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TABLE 14

Employee Benefits as a Percentage of Payroll, by Geographic Region, Metropolitan, and Non-Metropolitan Groups

Type of Benefit	East North Central (WI, IL, MI, IN, OH)	East South Central (KY, TN, MS, AL)	Middle Atlantic (NY, PA, NJ)	Mountain (MT, ID, WY, NV, UT, CO, AZ, NM)	New England (ME, VT, NH, MA, CT, RI)	Pacific (WA, OR, CA, HI, AK)	South Atlantic (WV, VA, MD, DE, DC, NC, SC, GA, FL)	West North Central (ND, SD, NE, KS, MN, IA, MO)	West South Central (TX, OK, AR, LA)	Employees Not Centralized in Any One Area	Metropolitan Area	Non-Metropolitan Area
Total Number of Companies	85	21	36	28	18	37	57	60	28	4	198	176
Total Number of Full-Time Equivalent Employees	44,815	7,466	40,835	41,405	3,367	8,611	21,292	102,802	3,558	30,268	194,267	110,150
Total Benefits as a Percent of Payroll	52.9%	34.8%	39.8%	49.6%	38.5%	36.9%	36.2%	45.1%	29.7%	38.7%	46.1%	40.8%
Legally Required Payments	9.6	8.0	8.2	8.9	9.1	10.5	8.5	9.1	8.8	12.2	9.2	9.5
Federally Required Payroll Taxes	7.1	6.9	7.1	7.8	7.0	7.2	6.9	7.2	6.8	7.2	7.3	7.1
Unemployment Compensation	1.0	0.3	0.5	0.4	0.9	0.8	0.8	0.3	0.7	1.3	0.5	0.7
Workers' Compensation Insurance	1.5	0.8	0.5	0.7	1.1	1.7	0.7	1.5	0.3	3.7	1.3	1.6
Other	0.1	0.1	0.0	0.0	0.0	0.7	0.0	0.1	0.9	0.0	0.1	0.1
Payments for Time Not Worked	11.2	10.2	8.5	12.6	12.3	8.9	12.5	12.2	8.7	8.7	12.1	9.4
Payments for Holidays	3.7	3.5	3.3	3.7	3.8	2.9	3.5	3.5	2.7	2.4	3.5	3.2
Paid Breaks, etc.	2.0	1.1	0.4	0.1	0.6	0.6	0.7	0.2	0.1	0.7	0.3	1.1
Sick Leave Pay	0.3	1.0	1.2	1.4	1.3	1.0	0.8	2.5	0.6	0.9	1.9	0.6
Payments for Vacations	4.5	4.1	3.4	3.6	5.0	2.6	2.1	4	2.5	2.6	3.8	3.3
Paid Time Off	0.5	0.0	0.0	3.4	1.4	1.6	5.2	0.5	2.4	1.4	1.4	1.1
Family and Medical Leave Pay	0.1	0.3	0.2	0.0	0.0	0.1	0.1	0.1	0.0	0.3	0.1	0.1
Other	0.1	0.3	0.1	0.4	0.3	0.2	0.1	1.6	0.3	0.4	1.0	0.1
Medically Related Benefit Payments	21.3	9.4	13	16	11.5	9.7	8.9	14.6	8.8	12.1	14.7	14.2
STD, Sickness or Accident Insurance	0.6	0.2	0.3	0.1	0.1	0.0	0.1	0.0	0.3	0.2	0.1	0.3
LTD or Wage Continuation	0.2	0.1	0.4	0.4	0.6	0.3	0.2	0.4	0.3	0.1	0.4	0.2
Medical Insurance Premiums	14.1	7.5	8.1	13.7	9.8	7.4	7.1	11.6	7.7	8.8	11.5	9.8
Dental Insurance Premiums	0.3	0.2	0.9	1.3	0.3	0.8	0.5	0.1	0.2	0.4	0.5	0.4
Vision Care	0.0	0.0	0.0	0.0	0.0	0.1	0.1	0.0	0.0	0.0	0.0	0.0
Retiree Medical Insurance Premiums	3.5	0.9	1.4	0.2	0.1	0.1	0.6	1.6	0.1	0.5	1.3	1.6
Life Insurance and Death	0.3	0.3	0.2	0.2	0.2	0.2	0.2	0.3	0.3	0.6	0.4	0.2
Prescription Drug Coverage	2.0	0.1	0.6	0.1	0.1	0.3	0.0	0.0	0.0	1.5	0.2	1.1
Other	0.1	0.0	1.0	0.0	0.0	0.1	0.0	0.4	0.0	0.0	0.2	0.4
Administration Costs	0.2	0.0	0.1	0.0	0.2	0.4	0.1	0.1	0.0	0.0	0.1	0.2
Retirement and Savings	9.2	6.1	9.6	11.5	3.9	7.5	5.4	9.0	3.0	5.1	9.5	6.9
Defined Benefit Pension Plan	5.4	2.2	5.3	8.2	1.8	5.3	1.8	7.3	0.0	2.1	7.3	2.8
Cash Balance or Other Hybrid Plan	0.1	0.0	1.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.4
401(k) and Similar	1.9	3.3	2.6	2.5	1.0	0.9	3.1	1.2	1.4	0.9	1.5	2.4
Profit-Sharing	1.2	0.7	0.6	0.7	0.1	1.1	0.3	0.2	0.8	1.8	0.4	1.1
Stock Bonus/ESOP	0.0	0.0	0.0	0.0	0.0	0.0	0.1	0.1	0.0	0.2	0.1	0.1
Other	0.5	0.0	0.1	0.0	0.9	0.0	0.0	0.1	0.8	0.5	0.2	0.2
Administration Costs	0.1	0.1	0.0	0.0	0.1	0.1	0.0	0.2	0.0	0.0	0.1	0.0
Miscellaneous Benefits	1.5	1.0	0.5	0.6	1.7	0.2	0.9	0.3	0.4	0.5	0.5	0.8
Severance Pay	0.2	0.6	0.3	0.2	1.5	0.0	0.2	0.1	0.2	0.1	0.2	0.2
Child Care	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Employee Education Expenditures	0.3	0.1	0.1	0.2	0.1	0.0	0.3	0.1	0.0	0.1	0.2	0.1
Discounts	0.7	0.2	0.0	0.1	0.1	0.0	0.1	0.0	0.0	0.3	0.1	0.3
Other	0.3	0.1	0.0	0.0	0.1	0.1	0.3	0.0	0.1	0.0	0.1	0.2

USCC 56624

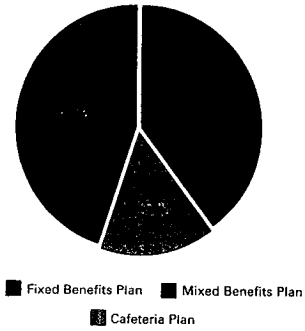
Nonprofit Variations

Overview to Nonprofits

Overall Benefits

Nearly one-fifth (18%) of participating companies identified themselves as being organized under a nonprofit tax status. Overall, more than half (60%) of these nonprofits allow the employees to select which type of benefits they would like through a cafeteria plan or a mixed benefits package plan. The remaining (39%) offer a fixed benefits plan where benefits are predetermined for each employee.

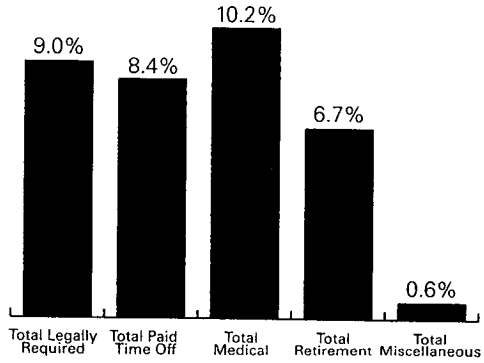
Type of Benefit Plan Offered



Benefits as a Percentage of Payroll

Participating nonprofit firms pay an average of 34.8% of payroll for employee benefits, which is about 11% lower than the for-profit company average of 46.3%. For-profit companies spend considerably more on medical benefits, paying 15.6% of payroll vs. 10.2% for nonprofits. For-profit companies also spend a larger percentage on paid time off (11.8%) than nonprofits (8.4%).

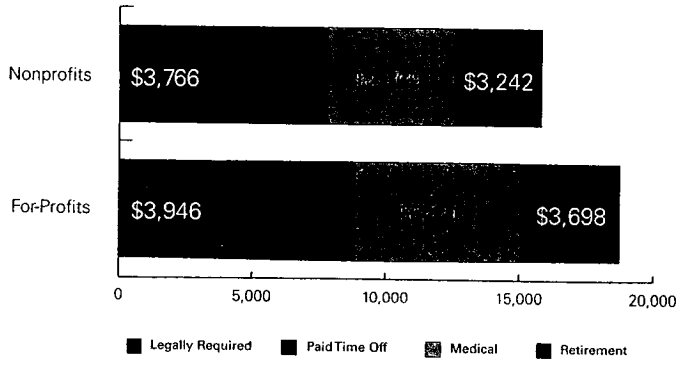
Nonprofits: Benefits as a Percentage of Payroll



Value of Benefits

Nonprofit firms paid $16,088 per employee for benefits compared to $19,043 paid by for-profits. Retirement payments posted the smallest difference, with for-profits offering about $450 more than nonprofit companies. For-profit companies provide more paid time off benefits (by $886). The largest difference is medical benefits, with for-profit companies offering $1,421 more than participating nonprofits in this area.

Benefits as Average Cost Per Employee



Benefits Offered to Full-Time & Part-Time Employees

Nearly every participating nonprofit firm (99%) offers paid vacations and paid holidays to their full-time employees. Over nine out of ten survey respondents also provide access to health insurance, paid sick leave, and retirement plans to their full-time employees. In addition, nearly three out of four nonprofit organizations offer life insurance, dental insurance, and long-term disability coverage to their full-time employees. The most common benefits offered to part-time employees are paid vacation, paid holidays, and retirement plans, as offered by at least four out of ten participating nonprofit companies.

Benefit Type	FT	PT
Paid Vacation	99%	51%
Paid Holidays	100%	47%
Health Insurance	96%	30%
Paid Sick Leave	95%	38%
Retirement Plan(s)	96%	43%
Life Insurance	86%	26%
Dental	81%	30%
Long-term Disability	75%	15%
Short-term Disability	53%	14%
Vision	45%	21%

USCC 56625

Paid Time Off

Paid time off benefits were offered by nearly every company that participated in the 2006 survey. Payments for time not worked (including paid breaks) accounted for more than one-quarter of all employer benefit costs, averaging 11.1% of payroll. This section provides a summary of paid time off benefit practices at participating companies.

Paid Holidays

Nearly every participating company (96%) provides paid holiday benefits for full-time employees. Participating firms recognized an average of 8.4 paid holidays in 2005. Generally, smaller firms recognized fewer paid holidays than larger firms.

Average Number of Paid Holidays Recognized in 2005 by Participating Firms

	By Industry		By Number of Employees					
All Companies	Non-Manufacturing	Manufacturing	Under 100	100–499	500–999	1,000–2,499	2,500–4,999	5,000+
8.4 days	8.6 days	8.1 days	7.9 days	8.8 days	9.3 days	10.3 days	10.6 days	9.7 days

Paid Time Off

Approximately six in ten (63%) of participating companies provide vacation and sick benefits as a separate classification, while nearly one in three (32%) offer benefits to employees as a hybrid "Paid Time Off" account. Typically, such plans provide a set amount of time that employees may utilize for vacation, personal, and/or sick leave. Among participants, traditional vacation and sick leave plans are slightly more common among manufacturing companies.

Type of Paid Time Off Plan Among Companies Offering Vacation Benefits

		By Industry		By Number of Employees					
	All Companies	Non-Manufacturing	Manufacturing	Under 100	100–499	500–999	1,000–2,499	2,500–4,999	5,000+
Traditional vacation/ sick leave plan	63%	61%	64%	59%	69%	62%	79%	57%	69%
Paid time off plan	37%	33%	29%	33%	29%	35%	21%	43%	23%

USCC 56626

Traditional Vacation & Sick Leave Plans

On average, an employee with one year of service is provided 8.4 days of paid vacation as compared to 16.1 paid vacation days for an employee with 10 years of service. As with paid time off plans, non-manufacturing and larger companies generally provide a higher number of vacation days.

Average Number of Vacation Days Provided Among Participating Firms by Tenure

		By Industry		By Number of Employees					
	All Companies	Non-Manufacturing	Manufacturing	Under 100	100–499	500–999	1,000–2,499	2,500–4,999	5,000+
1 year of service	8.4	8.6	7.6	7.6	8.5	9.9	10.2	10.0	11.3
5 years	13.2	13.4	12.7	12.08	13.0	14.7	14.7	13.5	15.6
10 years	16.1	16.2	15.9	15.3	16.7	17.7	17.8	17.8	17.3
15 years	18.0	18.1	17.7	16.8	18.9	20.3	20.5	20.3	20.4
20 years	19.4	19.3	19.8	18.0	20.5	21.9	22.3	21.5	22.0

Among participating companies that provide traditional vacation benefits, slightly more than three-fourths (79%) also provide paid sick leave.

Average Number of Annual Sick Days Taken & Provided Among Participating Firms

		By Industry		By Number of Employees					
	All Companies	Non-Manufacturing	Manufacturing	Under 100	100–499	500–999	1,000–2,499	2,500–4,999	5,000+
Sick Days Taken	4.1	4.6	2.9	3.7	4.8	4.2	4.7	6.0	5.1
Sick Days Provided	7.2	8.2	4.5	6.5	7.3	10.0	9.0	9.5	8.4

Nearly one in three participating companies (32%) provide paid time off benefits. On average, an employee with one year of service is provided 11.8 days of paid time off as compared to 20.4 paid days off for an employee with 10 years of service.

Average Number of Paid Days Off Provided Among Participating Firms by Tenure

		By Industry		By Number of Employees					
	All Companies	Non-Manufacturing	Manufacturing	Under 100	100–499	500–999	1,000–2,499	2,500–4,999	5,000+
1 year of service	11.8	12.9	8.6	10.4	12.7	15.4	13.6	16.3	16.7
5 years	17.1	18.2	13.9	15.9	18.3	19.5	18.4	22.3	22.7
10 years	20.4	21.7	16.7	19.0	21.7	22.6	23.0	26.7	24.7
15 years	21.7	23.2	17.4	19.9	24.0	24.8	25.0	27.3	24.7
20 years	23.0	24.4	18.8	20.9	25.2	25.0	31.4	31.3	28.0

USCC 56627

Medical

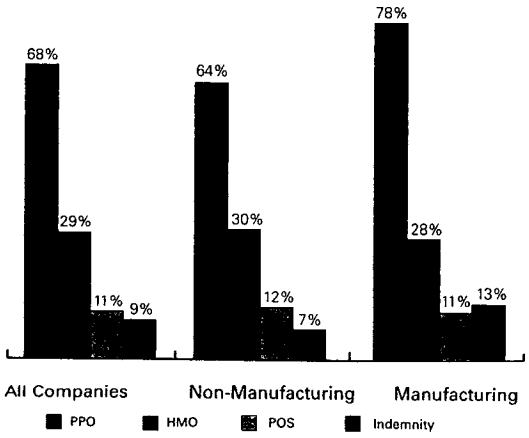
Discussion of Health Care Benefits Practices

Nearly every participating company (94%) provides health care benefits to full-time employees. A majority of those companies (86%) require a waiting period for health insurance coverage, with the most common waiting period for full-time employees being one to three months (47%). In general, smaller participating companies tend to require longer waiting periods than larger companies; with over half of companies with fewer than 100 employees (54%) requiring a waiting period of one to three months. However, the specific type and coverage of health plan benefits vary from company to company. This section provides an overview of the health plan benefits as well as a discussion of health plan costs.

Type of Health Plan

Although the specific details of health plans vary considerably, health plans can be grouped into four basic plan types: Preferred Provider Organization (PPO; which allow those covered to select among the most cost-efficient providers), Health Maintenance Organization (HMO), Point of Service (POS), and Indemnity. The most common type of health plan among participating companies is the PPO health plan, offered by over two out of three (68%) participating companies. One in three (29%) participating companies offer an HMO plan while POS (11%) and Indemnity (9%) plans are less common.

Type of Health Plan by Industry



Companies in all size categories favor PPOs followed by HMO plans, with nearly twice the percentage of the largest companies using HMOs than the smaller companies. The third most popular medical plan, Point of Service, is equally preferred by midsize companies as are Indemnity plans, while the larger companies lean toward offering Indemnity plans. Three out of ten (26%) participating companies offer more than one type of health plan.

Type of Health Plan by Number of Employees

	Under 100	100–499	500–999	1,000–2,499	2,500–4,999	5,000+
PPO	59%	77%	74%	100%	86%	92%
HMO	27%	31%	24%	53%	14%	54%
POS	9%	12%	12%	26%	14%	23%
Indemnity Health Insurance	4%	12%	18%	16%	0%	46%

USCC 56628

Key Aspects of Coverage

In addition to major medical insurance, the large majority (78%) of participating companies offer prescription drug coverage. Of those offering prescription drug coverage, two in ten (20%) provide coverage to retirees under the age of 65 and 13% offer prescription drug benefits to retirees over the age of 65. A majority of companies offer life insurance (92%); three out of four participating companies provide dental insurance (72%) and vision care (69%); and close to half provide coverage for chiropractic care (44%).

Over four out of ten of the companies surveyed provide Flexible Health Spending Accounts (47%). Less common are mental health coverage (31%), retiree health insurance (25%), coverage for retirees under the age of 65 years old (17%), long-term care insurance (16%), high deductible health care plans (12%), Health Savings Accounts (10%), health reimbursement agreements (9%), coverage for unmarried domestic partners (9%), and alternative forms of medical care such as homeopathy (8%).

In general, larger companies are more likely than smaller companies to offer health plans that cover a broader range of benefits, such as dental insurance, vision care, and coverage for retirees and for unmarried domestic partners. Coverage for retirees increases dramatically with the size of the company (coverage by 4% of businesses with fewer than 100 employees vs. 77% for those with greater than 5,000 employees). Furthermore, larger companies are several times more likely to provide long-term care insurance and medical spending or reimbursement accounts.

Key Aspects of Health Plan Coverage by Number of Employees

	Under 100	100–499	500–999	1,000–2,499	2,500–4,999	5,000+
Hospital, Surgical, Medical, and Major Medical	88%	95%	97%	100%	86%	100%
Prescription Drug Coverage	70%	88%	94%	90%	86%	100%
Life Insurance	64%	85%	97%	90%	100%	92%
Dental Insurance	56%	91%	97%	95%	100%	100%
Vision Care	29%	50%	65%	52%	61%	69%
Chiropractic Care	29%	58%	79%	84%	57%	69%
Flexible Health Spending Accounts	30%	65%	79%	84%	86%	85%
Mental Health Coverage (On a Parity Basis to Physical Health Benefits)	21%	40%	59%	63%	29%	54%
Alcohol and Drug Abuse Treatment	22%	38%	62%	63%	43%	62%
Retiree Health Insurance	14%	27%	50%	79%	29%	77%
High Deductible Health Care Plan	10%	15%	0%	21%	0%	46%
Health Reimbursement Arrangement	9%	10%	6%	5%	0%	15%
Long-term Care Insurance	8%	16%	38%	42%	43%	54%
Alternative Forms of Medical Care (e.g., Homeopathy, Herbal Therapies)	5%	11%	15%	16%	14%	0%
Coverage for Retirees Under 65	4%	23%	41%	79%	29%	77%
Coverage for Retirees Over 65	5%	14%	21%	68%	43%	69%
Coverage for Unmarried Domestic Partners	4%	11%	24%	32%	14%	23%
Same Sex	3%	9%	24%	26%	0%	15%
Health Savings Accounts (or Medical Savings Accounts)	7%	14%	6%	11%	0%	46%

USCC 56629

A similar percentage of manufacturing and non-manufacturing companies provide medical coverage in the most common areas of health plan coverage (other than major medical), such as life insurance, dental, prescription drug coverage, etc. However, manufacturing companies tend to provide coverage in more areas than non-manufacturing companies. An exception is found in health savings accounts, which nearly twice as many non-manufacturing firms provided (11% vs. 6% manufacturing).

Key Aspects of Health Plan Coverage by Industry

	All Companies	Non-Manufacturing	Manufacturing
Hospital, Surgical, Medical, and Major Medical Insurance	91%	89%	96%
Prescription Drug Coverage	78%	76%	82%
Life Insurance	74%	72%	78%
Dental Insurance	72%	72%	71%
Flexible Health Spending Accounts	47%	48%	46%
Chiropractic Care	44%	41%	50%
Vision Care	39%	40%	38%
Mental Health Coverage (On a Parity Basis to Physical Health Benefits)	31%	29%	37%
Retiree Health Insurance	25%	27%	20%
Alcohol and Drug Abuse Treatment	32%	30%	38%
Coverage for Retirees Under 65	17%	20%	12%
Coverage for Retirees Over 65	14%	15%	11%
Long-term Care Insurance	16%	17%	13%
Coverage for Unmarried Domestic Partners	9%	9%	8%
Same Sex	8%	8%	5%
Alternative Forms of Medical Care (e.g., Homeopathy, Herbal Therapies)	8%	7%	10%
High Deductible Health Care Plan	12%	12%	12%
Health Reimbursement Arrangement	9%	7%	13%
Health Savings Accounts (or Medical Savings Accounts)	10%	11%	6%

Cost Control Methods

As the cost of providing health care benefits has risen, many companies and/or health plan providers have taken measures to better manage the costs associated with health care coverage. Among participating companies, mail-order pharmacy services are the most commonly used cost-control method, used by six out of ten (57%) of participating companies. Due to the volume of prescriptions ordered through mail-order pharmacy services, prescriptions are often offered at a reduced cost. Four out of ten (37%) of participating companies require pre-admission certification, while one-third (30%) self-insure or fully insure at least a part of their employee health care benefits. Less common are pharmacy benefit managers (16%), behavioral health service manager programs (12%), and group purchasing arrangements (5%).

Overall, manufacturing companies use more cost-control methods than non-manufacturing companies. When separated by size of company, larger companies in both industries are much more likely to use such cost control methods. For example, the largest companies surveyed are eight times more likely than the smallest companies to self-insure or fully insure any of their benefits, at 100% compared to 12%. Being self-insured, larger companies are essentially acting as their own insurance company in making direct payments, but are willing to take this financial risk for the purpose of cost control.

USCC 56630

Health Care Cost Control Methods by Industry

	All Companies	Non-Manufacturing	Manufacturing
Mail-order pharmacy	57%	55%	63%
Pre-admission certification	37%	33%	46%
Self-insure or fully insure any of your health benefits	30%	29%	32%
Pharmacy benefit manager	16%	16%	16%
Behavioral health service manager	12%	12%	11%
Participate in a group purchasing arrangement for either medical services or medical insurance with other firms in your community	5%	4%	7%

Health Care Cost Control Methods by Number of Employees

	Under 100	100–499	500–999	1,000–2,499	2,500–4,999	5,000+
Mail-order pharmacy	43%	66%	91%	100%	71%	100%
Pre-admission certification	28%	40%	77%	47%	57%	46%
Self-insure or fully insure any of your health benefits	12%	34%	79%	74%	86%	100%
Participate in a group purchasing arrangement for either medical services or medical insurance with other firms in your community	3%	8%	9%	11%	0%	8%
Behavioral health service manager	5%	14%	29%	32%	14%	46%
Pharmacy benefit manager	7%	12%	41%	47%	71%	77%

Health Insurance Premium Cost Sharing

Although health insurance premiums have steadily increased over the past years, almost one-third of participating companies (30%) fully cover the cost of health insurance premiums. For the majority of companies, premium expense is split between the employer and covered employee. For almost half (42%) of participating companies, the cost of health insurance is shared proportionately, with the employer paying a set percentage of the premium cost. 11% of participating employers indicated that they contribute a set dollar amount toward the cost of coverage, while 12% define a dollar amount to be contributed by employees. In general, larger companies are more likely to share premium costs through proportional payments than to fully cover premiums (54% vs. 8%), whereas smaller companies have a much closer split, with 34% of those with fewer than 100 employees proportionally sharing premium costs vs. 41% covering premium costs.

Method of Health Insurance Premium Cost Sharing by Industry

	All Companies	Non-Manufacturing	Manufacturing
Proportional shared costs	42%	44%	36%
Fully paid by the employer	30%	30%	29%
Defined dollar contribution by the employee	12%	9%	19%
Defined dollar contribution by the employer	11%	11%	12%
Other	6%	7%	5%

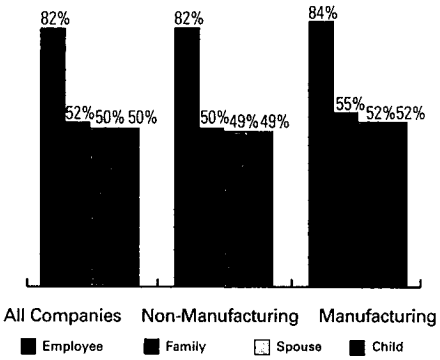
Method of Health Insurance Premium Cost Sharing by Number of Employees

	Under 100	100–499	500–999	1,000–2,499	2,500–4,999	5,000+
Proportional shared costs	34%	46%	62%	74%	29%	54%
Fully paid by the employer	41%	18%	15%	0%	14%	8%
Defined dollar contribution by the employee	9%	14%	18%	16%	29%	8%
Defined dollar contribution by the employer	11%	12%	6%	11%	14%	23%
Other	6%	10%	0%	0%	14%	8%

Employer Share of Health Insurance Premiums

Among participating companies, the average employer share of health insurance cost for employees is 82% of the premium cost; the average employer contribution for a spouse is 50% of the premium cost. In general, larger companies provide a greater share of premium payments for dependents (spouse, child, and family) than smaller companies.

Employer Share of Health Insurance Premiums by Industry



Employer Share of Health Insurance Premiums by Number of Employees

	Under 100	100–499	500–999	1,000–2,499	2,500–4,999	5,000+
Employee	82%	82%	83%	84%	85%	84%
Spouse	40%	60%	67%	68%	76%	79%
Child	39%	59%	69%	68%	77%	81%
Family	40%	62%	69%	75%	76%	79%

Medical Benefits Costs

Medically related benefits accounted for about one-third of all benefits costs (32%), with an average of 14.5% of total gross payroll or $5,924 per employee. Employee payroll deductions for medical benefits averaged an additional 2.8% of payroll, bringing the average total cost of medical benefits to 17.3% of payroll. Hospital, Surgical, Medical, and Major Medical Insurance Premiums accounted for the majority of medical benefits costs, accounting for 10.9% of payroll on average. Other medical expenses include Retiree health insurance premiums (1.4%), Prescription drugs (0.6%), Dental insurance premiums (0.5%), Life insurance (0.3%), Long-term disability payments (0.3%), Short-term disability payments (0.2%), and Administrative costs (0.1%).

Among participating companies, manufacturers spent a slightly higher percentage of payroll on medical benefits (15.6%) than non-manufacturers (14.2%). This is a reverse scenario from previous years. Employee payroll deductions also averaged higher at manufacturing firms (3.6%) than non-manufacturing firms (2.9%). In general, companies with 500 or more employees averaged a greater portion of payroll spending on medical benefits than did smaller companies.

The average cost (as percentage of payroll) for medical benefits among companies that offer them and are able to provide their specific costs are provided below. We have also provided a breakdown of the costs of hospital, surgical, medical, and major medical insurance plans for companies possessing only one such type of plan. Additional comparisons for employer vs. employee medical payments are outlined on page 44.

Medical Benefits Costs Among Companies Reporting Payments, as a Percentage of Payroll

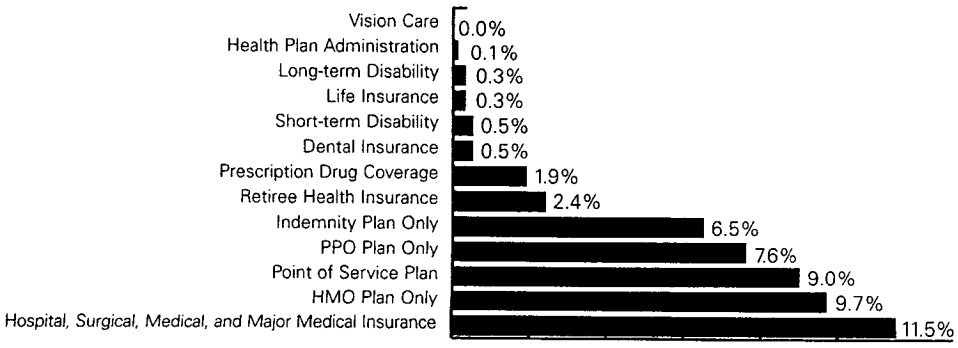


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TABLE 15

Medically Related Benefits Payments as Annual Dollars Per Employee, by Industry Group

Industry Group	Total Employer's Share	Short-Term Disability, Sickness or Accident Insurance	Long-Term Disability or Wage Continuation	Medical Insurance Premiums	Dental Insurance Premiums	Vision Care	Retiree Medical Insurance Premiums	Life Insurance	Prescription Drug Coverage	Other	Administrative Costs	Total Employee Payroll Deductions for Medical and Medically-Related Benefits	Total Employer's Share Plus Employees' Payroll Deductions
Total, All Companies	$5,924	$83	$135	$4,401	$237	$11	$521	$132	$205	$155	$44	$1,302	$7,226
Total, Manufacturing	6,354	158	116	4,254	296	9	706	86	522	159	47	1,518	$7,872
Chemicals (Including Pharmaceutical Companies)	7,450	157	105	5,150	276	0	1,056	266	440	0	0	2,356	9,806
Computer, Electronic, and Electrical Products/Components	4,718	88	110	3,621	672	44	26	90	0	2	63	1,417	6,135
Fabricated Metal Products	5,916	99	59	4,905	234	1	95	145	10	0	369	2,040	7,957
Food, Beverage, and Tobacco	2,897	56	133	2,483	30	2	0	157	20	11	5	489	3,386
Industrial Machinery & Equipment	12,282	19	210	5,114	372	0	867	92	33	5,559	18	3,602	15,885
Instruments and Related Products	2,942	0	24	2,831	39	8	0	37	0	2	0	1,550	4,491
Non-Metallic Products (Rubber, Leather, Plastic, Glass, Clay)	8,808	287	45	5,533	29	0	1,806	14	1,082	0	13	1,658	10,466
Primary Metal Products (Steel, Smelting & Wire Drawing)	1,668	320	216	50	478	0	275	329	0	0	0	397	2,065
Printing & Related Support Activities	2,773	38	38	2,423	257	0	0	16	0	0	0	1,706	4,479
Pulp, Paper, Lumber, and Furniture	2,603	15	34	2,418	76	7	0	42	0	1	9	1,217	3,820
Textile & Apparel	5,686	24	116	4,495	384	0	415	246	0	0	6	1,718	7,404
Transportation Equipment	5,587	11	214	4,219	356	3	0	1	784	0	0	1,221	6,808
Other Manufacturing Industries	4,513	71	197	3,841	246	6	0	150	0	0	2	827	5,340
Total, All Non-Manufacturing	5,772	56	142	4,452	217	11	455	148	93	153	43	1,225	6,997
Construction	2,972	9	62	2,493	143	5	114	60	65	20	1	1,304	4,276
Educational Services	3,514	0	48	3,199	29	0	0	73	16	0	148	1,397	4,911
Finance and Insurance	6,126	127	153	3,944	293	18	561	148	37	705	140	1,887	8,012
Health Care & Social Assistance	4,453	35	144	3,765	200	15	62	190	25	9	7	862	5,315
Hospitality (Lodging, Restaurants, Recreation & Entertainment)	3,189	29	78	2,733	49	0	0	51	0	0	250	420	3,609
Information (Data Processing, Information Services & Publishing)	6,730	253	130	4,411	338	44	1,095	252	70	5	132	2,765	9,495
Professional, Scientific, and Technical Services (Consulting, Legal, Accounting, & Network Services)	7,305	121	151	6,125	420	37	62	273	30	9	78	1,927	9,232
Public Utilities	8,411	28	254	6,972	375	5	511	187	0	79	0	990	9,401
Rental, Leasing and Real Estate	3,566	25	16	2,867	105	5	2	109	438	0	0	338	3,904
Retail Trade	3,234	21	19	1,497	29	1	0	25	67	1,573	2	1,972	5,206
Support and Management Services (Management Companies & Administrative Support)	3,464	20	77	3,105	133	0	0	112	10	7	0	1,405	4,870
Trade Associations, Business Federations & Chambers of Commerce	3,358	99	198	2,081	309	8	104	210	6	137	207	1,366	4,723
Transportation, Distribution & Warehousing	6,452	131	191	5,609	212	0	0	52	0	3	252	435	6,887
Wholesale Trade	6,052	185	134	3,996	199	24	506	377	623	6	2	1,969	8,021
Other Non-Manufacturing Industries	6,399	0	164	5,221	191	3	704	98	7	10	1	984	7,384

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TABLE 16

Medically Related Benefits Payments as a Percentage of Payroll, by Industry Group

Industry Group	Total Employer's Share	Short-Term Disability, Sickness or Accident Insurance	Long-Term Disability or Wage Continuation	Medical Insurance Premiums	Dental Insurance Premiums	Vision Care	Retiree Medical Insurance Premiums	Life Insurance	Prescription Drug Coverage	Other	Administrative Costs	Total Employee Payroll Deductions for Medical and Medically-Related Benefits	Total Employer's Share Plus Employees' Payroll Deductions
Total, All Companies	14.5%	0.2%	0.3%	10.9%	0.5%	0.0%	1.4%	0.3%	0.6%	0.3%	0.1%	3.1%	17.6%
Total, Manufacturing	15.6	0.4	0.2	10.4	0.6	0.0	2.1	0.2	1.4	0.3	0.1	3.6	19.2
Chemicals (Including Pharmaceutical Companies)	10.1	0.2	0.1	7.0	0.4	0.0	1.4	0.4	0.6	0.0	0.0	3.2	13.3
Computer, Electronic, and Electrical Products/Components	8.7	0.2	0.2	6.8	1.2	0.1	0.0	0.2	0.0	0.0	0.1	2.6	11.3
Fabricated Metal Products	13.1	0.2	0.1	10.9	0.5	0.0	0.2	0.3	0.0	0.0	0.8	4.7	17.8
Food, Beverage, and Tobacco	5.4	0.1	0.2	4.5	0.1	0.0	0.0	0.3	0.2	0.0	0.0	0.9	6.3
Industrial Machinery & Equipment	21.7	0.0	0.3	9.7	0.7	0.0	1.4	0.2	0.1	9.3	0.0	6.4	28.1
Instruments and Related Products	8.1	0.0	0.1	7.8	0.1	0.0	0.0	0.1	0.0	0.0	0.0	4.3	12.4
Non-Metallic Products (Rubber, Leather, Plastic, Glass, Clay)	27.7	0.9	0.1	17.3	0.1	0.0	5.8	0.0	3.4	0.0	0.0	5.3	33.1
Primary Metal Products (Steel, Smelting & Wire Drawing)	2.9	0.5	0.4	0.1	0.8	0.0	0.5	0.6	0.0	0.0	0.0	0.7	3.5
Printing & Related Support Activities	5.8	0.1	0.1	5.0	0.5	0.0	0.0	0.0	0.0	0.0	0.0	3.9	9.6
Pulp, Paper, Lumber, and Furniture	8.0	0.1	0.1	7.4	0.3	0.0	0.0	0.1	0.0	0.0	0.0	3.6	11.6
Textile & Apparel	11.4	0.1	0.2	9.1	0.8	0.0	0.8	0.5	0.0	0.0	0.0	3.4	14.9
Transportation Equipment	11.2	0.0	0.4	8.5	0.7	0.0	0.0	0.0	1.6	0.0	0.0	2.4	13.7
Other Manufacturing Industries	8.9	0.1	0.4	7.6	0.5	0.0	0.0	0.3	0.0	0.0	0.0	1.6	10.6
Total, All Non-Manufacturing	14.2	0.1	0.3	11.1	0.5	0.0	1.1	0.3	0.2	0.3	0.1	2.9	17.0
Construction	6.9	0.0	0.1	5.7	0.3	0.0	0.3	0.2	0.2	0.1	0.0	3.1	10.1
Educational Services	10.1	0.0	0.1	9.2	0.1	0.0	0.0	0.2	0.0	0.0	0.4	4.0	14.1
Finance and Insurance	11.3	0.2	0.3	7.1	0.5	0.0	1.0	0.3	0.1	1.4	0.3	3.4	14.6
Health Care & Social Assistance	10.4	0.1	0.2	9.0	0.4	0.0	0.1	0.4	0.0	0.0	0.0	2.3	12.7
Hospitality (Lodging, Restaurants, Recreation & Entertainment)	11.5	0.0	0.2	9.8	0.0	0.0	0.0	0.2	0.0	0.0	1.2	1.0	12.5
Information (Data Processing, Information Services & Publishing)	10.7	0.3	0.2	7.1	0.4	0.1	1.9	0.4	0.1	0.0	0.2	4.6	15.2
Professional, Scientific, and Technical Services (Consulting, Legal, Accounting, & Network Services)	9.8	0.1	0.2	8.3	0.6	0.1	0.1	0.3	0.1	0.0	0.1	2.6	12.4
Public Utilities	15.1	0.1	0.5	12.6	0.7	0.0	0.8	0.3	0.0	0.1	0.0	2.0	17.1
Rental, Leasing and Real Estate	11.2	0.1	0.0	8.9	0.4	0.0	0.0	0.3	1.4	0.0	0.0	0.9	12.1
Retail Trade	7.3	0.0	0.0	3.8	0.1	0.0	0.0	0.1	0.1	3.2	0.0	4.3	11.6
Support and Management Services (Management Companies & Administrative Support)	5.7	0.0	0.1	5.1	0.2	0.0	0.0	0.2	0.0	0.0	0.0	2.4	8.1
Trade Associations, Business Federations & Chambers of Commerce	5.6	0.2	0.3	3.5	0.4	0.0	0.1	0.3	0.0	0.2	0.4	2.1	7.7
Transportation, Distribution & Warehousing	16.0	0.3	0.4	13.9	0.6	0.0	0.0	0.1	0.0	0.0	0.7	1.1	17.1
Wholesale Trade	13.1	0.4	0.3	8.7	0.4	0.1	1.1	0.8	1.4	0.0	0.0	4.2	17.4
Other Non-Manufacturing Industries	19.0	0.0	0.5	15.5	0.5	0.0	2.1	0.3	0.0	0.0	0.0	3.0	22.0

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Retirement and Savings

The majority of participating companies (85%) offer retirement plan benefits to their employees. A 401(k)-type plan is by far the most common type of retirement plan, offered by 71% of participating companies, while one-fifth of participants offer a defined benefits pension plan (17%) and one-fourth a profit-sharing plan (26%).

When examined by company size, 46% of companies with 5,000 or more employees tend to favor defined benefits plans as compared to only 7% of companies with fewer than 100 employees. The survey also found that more manufacturing companies offer profit-sharing plans than non-manufacturing (19% vs. 13%), and about three-fourths of both manufacturing and non-manufacturing firms offer 401(k)-type plans.

In general, larger companies are more likely to provide retirement and savings plan benefits than smaller companies. Although a majority (80%) of small companies provide retirement benefits, every company with more than 1,000 employees offers some type of retirement plan to their employees.

The average waiting period for the start of any retirement plan for all companies is 8.4 months, while the average number of years before an employee is fully vested is 4.1.

Percentage of Companies Offering Retirement and Savings Plans

	All Companies	Non-Manufacturing	Manufacturing
Retirement/Savings Plan	85%	85%	85%
401(k)-Type Plan	71%	71%	71%
Profit-Sharing Plan	26%	26%	28%
Defined Benefits Pension Plan	17%	19%	13%
Employee Stock Ownership Plan (ESOP) or Stock Bonus Plan	5%	4%	6%
Cash Balance or Other Hybrid Plans	2%	1%	3%
Other (e.g., Money Purchase Plan)	10%	10%	9%

Retirement and Savings Plan Benefits by Company Size

	Number of Employees					
	Under 100	100–499	500–999	1,000–2499	2,500–4,999	5,000+
Retirement/Savings Plan	80%	90%	94%	100%	100%	100%
401(k)-Type Plan	58%	87%	97%	100%	100%	85%
Profit-Sharing Plan	28%	24%	29%	5%	29%	31%
Defined Benefits Pension Plan	7%	26%	32%	63%	14%	46%
Employee Stock Ownership Plan (ESOP) or Stock Bonus Plan	3%	9%	3%	5%	14%	8%
Cash Balance or Other Hybrid Plans	1%	1%	6%	5%	0%	8%
Other (e.g., Money Purchase Plan)	11%	3%	6%	16%	57%	8%

How Employer Contributions Are Spent for Retirement and Saving Plans

	All Companies	Non-Manufacturing	Manufacturing
Defined Benefits Pension Plan	$2,147	$2,489	$1,181
401(k)-Type Plan	$901	$789	$1,219
Profit-Sharing Plan	$313	$241	$517
Cash Balance or Other Hybrid Plans	$81	$13	$273
Employee Stock Ownership Plan (ESOP) or Stock Bonus Plan	$22	$16	$38
Other (e.g., Money Purchase Plan)	$104	$129	$33

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The average employer cost of providing retirement and savings plan benefits among participating companies was $3,612 per employee, or 8.6% of payroll. Of these costs:

- Defined benefits pension plans accounted for the highest average cost, an average of $2,147 per employee among all survey respondents. For benchmarking purposes, the average contribution by employers making defined benefits plan payments was $4,081 per employee, or 10.6% of payroll.
- 401(k)-type plans accounted for an average of $901 per employee among all survey respondents. For benchmarking purposes, the average contribution in 2005 by employers making 401(k) contributions was $935 per employee, or 1.9% of payroll.
- Profit-sharing programs averaged $313 per employee among all survey respondents. For benchmarking purposes, the average contribution by employers making profit-sharing payments was $1,201 per employee, or 2.5% of payroll.
- Cash balance and other hybrid retirement savings plans averaged $81 per employee among all survey respondents. For benchmarking purposes, the average expense among companies reporting cash balance and other hybrid retirement savings plans contributions was $1,422 per employee, or 2.8% of payroll.
- Stock bonuses and Employee Stock Ownership Plans (ESOP) averaged $22 per employee among all survey respondents. For benchmarking purposes, the average expense among companies paying stock bonuses/ESOP was $312 per employee, or 1.0% of payroll.

Employer Contributions to Retirement and Savings Plans, by Company Size

	Number of Employees					
	Under 100	100–499	500–999	1,000–2,499	2,500–4,999	5,000+
Defined Benefits Pension Plan	$351	$962	$1,528	$2,776	$392	$2,578
401(k) and Similar	$858	$1,230	$1,007	$1,647	$1,422	$659
Profit-Sharing	$857	$313	$722	$56	$385	$279
Cash Balance or Other Hybrid Plans	$0	$38	$248	$0	$0	$92
Employee Stock Ownership Plan (ESOP) or Stock Bonus Plan	$130	$137	$19	$7	$0	$12
Other (e.g., Money Purchase Plan)	$86	$26	$90	$506	$422	$4

The average cost (as percentage of payroll) for retirement benefits among those companies offering and able to provide a specific cost for the benefit was 8.6%. The figures below provide a breakdown of retirement plans and may be used to benchmark your actual expenditures. Additional comparisons for employer vs. employee retirement payments are outlined on page 44.

Retirement Benefits Costs Among Companies Reporting Payments, as a Percentage of Payroll

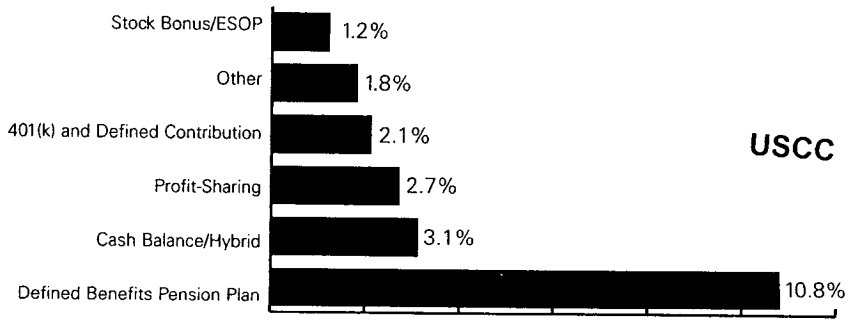

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TABLE 17

Retirement and Savings Plan Payments as Annual Dollars Per Employee, by Industry Group

Industry Group (# of Responding Companies)	Total Employer's Share	Defined Benefit Pension Plan	Cash Balance or Other Hybrid Plan	401(k) or Similar Payments	Profit-Sharing Payments	Stock Bonus and ESOP	Other	Costs of Plan Administration	Total Employee Payroll Deductions to Plans	Total Employer's Share Plus Employees' Payroll Deductions
Total, All Companies (374)	3,612	2,147	81	901	313	22	104	44	1,694	5,306
Total, All Manufacturing (107)	3,281	1,181	273	1,219	517	38	33	19	2,084	5,365
Chemicals (Including Pharmaceutical Companies) (9)	6,717	3,931	0	2,136	84	0	534	32	4,562	11,279
Computer, Electronic, and Electrical Products/Components (4)	3,255	538	0	1,711	998	0	0	9	3,701	6,956
Fabricated Metal Products (17)	1,398	53	0	1,220	27	0	21	79	2,155	3,553
Food, Beverage, and Tobacco (9)	4,204	1,667	0	989	1,371	0	29	149	1,723	5,927
Industrial Machinery & Equipment (9)	1,697	0	0	1,140	117	408	0	32	2,642	4,338
Instruments and Related Products (3)	6,447	0	0	117	40	6,163	53	89	378	6,825
Non-Metallic Products (Rubber, Leather, Plastic, Glass, Clay) (20)	3,501	2,555	0	475	468	0	1	2	100	3,602
Primary Metal Products (Steel, Smelting & Wire Drawing) (5)	2,756	14	0	2,741	0	0	0	2	4,392	7,148
Printing & Related Support Activities (2)	519	0	0	484	0	0	0	35	1,517	2,036
Pulp, Paper, Lumber, and Furniture (11)	900	89	0	551	208	0	13	40	1,457	2,357
Textile & Apparel (3)	7,771	2,149	4,403	1,010	116	0	0	93	3,040	10,811
Transportation Equipment (5)	3,170	10	1,206	1,131	797	10	10	16	2,054	5,224
Other Manufacturing Industries (10)	2,229	0	0	1,750	267	136	0	76	2,592	4,821
Total, All Non-Manufacturing (267)	3,729	2,489	13	789	241	16	129	52	1,556	5,285
Construction (24)	1,646	204	0	384	997	14	18	29	1,553	3,199
Educational Services (8)	2,850	2,393	171	287	0	0	834	0	226	3,076
Finance and Insurance (55)	5,206	3,053	51	1,669	331	20	46	36	3,026	8,232
Health Care & Social Assistance (25)	1,331	352	0	708	233	0	0	38	1,301	2,633
Hospitality (Lodging, Restaurants, Recreation & Entertainment) (5)	553	0	0	343	207	0	0	2	1,601	2,154
Information (Data Processing, Information Services & Publishing) (9)	3,651	1,955	0	1,589	94	0	0	13	4,400	8,050
Professional, Scientific, and Technical Services (Consulting, Legal, Accounting, & Network Services) (29)	5,012	206	0	2,691	165	0	1,853	97	3,964	8,976
Public Utilities (13)	5,949	4,137	0	1,512	154	0	0	146	1,618	7,568
Rental, Leasing and Real Estate (10)	245	0	0	105	9	118	319	12	830	1,074
Retail Trade (18)	1,264	0	0	593	292	339	0	40	1,714	2,978
Support and Management Services (Management Companies & Administrative Support) (6)	1,413	0	0	940	415	0	0	58	2,686	4,099
Trade Associations, Business Federations & Chambers of Commerce (33)	4,527	854	0	3,057	172	0	385	58	2,661	7,188
Transportation, Distribution & Warehousing (10)	2,583	1,851	0	285	16	0	389	42	1,466	4,049
Wholesale Trade (13)	5,091	2,341	0	784	1,927	3	23	13	1,171	6,262
Other Non-Manufacturing Industries (9)	4,347	3,984	0	280	6	0	0	77	786	5,133

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TABLE 18

Retirement and Savings Plan Payments as a Percentage of Payroll, by Industry Group

Industry Group (# of Responding Companies)	Total Employer's Share	Defined Benefit Pension Plan	Cash Balance or Other Hybrid Plan	401(k) or Similar Payments	Profit-Sharing Payments	Stock Bonus and ESOP	Other	Costs of Plan Administration	Total Employee Payroll Deductions to Plans	Total Employer's Share Plus Employees' Payroll Deductions
Total, All Companies (374)	8.6%	5.6%	0.2%	1.8%	0.2%	0.7%	0.1%	0.2%	3.4%	12.0%
Total, All Manufacturing (107)	7.6	3.2	0.5	2.4	1.2	0.1	0.0	0.0	3.9	11.4
Chemicals (Including Pharmaceutical Companies) (9)	9.1	5.4	0.0	2.9	0.2	0.0	0.7	0.0	6.2	15.3
Computer, Electronic, and Electrical Products/Components (4)	5.9	0.8	0.0	3.2	1.9	0.0	0.0	0.0	6.9	12.8
Fabricated Metal Products (17)	3.0	0.1	0.0	2.6	0.1	0.0	0.0	0.1	4.9	7.9
Food, Beverage, and Tobacco (9)	8.2	2.7	0.0	1.9	3.0	0.0	0.1	0.4	3.0	11.2
Industrial Machinery & Equipment (9)	3.7	0.0	0.0	2.0	0.3	1.4	0.0	0.1	4.7	8.4
Instruments and Related Products (3)	18.6	0.0	0.0	0.3	0.1	17.8	0.2	0.2	0.8	19.4
Non-Metallic Products (Rubber, Leather, Plastic, Glass, Clay) (20)	11.1	8.2	0.0	1.5	1.5	0.0	0.0	0.0	0.3	11.4
Primary Metal Products (Steel, Smelting & Wire Drawing) (5)	4.7	0.0	0.0	4.7	0.0	0.0	0.0	0.0	7.5	12.2
Printing & Related Support Activities (2)	0.9	0.0	0.0	0.8	0.0	0.0	0.0	0.1	2.4	3.3
Pulp, Paper, Lumber, and Furniture (11)	2.8	0.3	0.0	1.6	0.7	0.0	0.0	0.1	4	6.8
Textile & Apparel (3)	15.5	4.3	8.7	2.0	0.3	0.0	0.0	0.2	6.1	21.6
Transportation Equipment (5)	6.3	0.0	2.4	2.2	1.6	0.0	0.0	0.0	4.1	10.4
Other Manufacturing Industries (10)	4.6	0.0	0.0	3.6	0.5	0.3	0.0	0.2	5.1	9.7
Total, All Non-Manufacturing (267)	8.9	6.5	0.0	1.6	0.5	0.0	0.2	0.1	3.3	12.2
Construction (24)	3.7	0.4	0.0	0.9	2.2	0.0	0.1	0.1	3.5	7.2
Educational Services (8)	8.3	7.3	0.4	0.7	0.0	0.0	2.4	0.0	0.8	9.1
Finance and Insurance (55)	9.7	5.8	0.1	3.1	0.6	0.0	0.1	0.1	5.5	15.2
Health Care & Social Assistance (25)	2.9	0.7	0.0	1.8	0.3	0.0	0.0	0.1	2.5	5.4
Hospitality (Lodging, Restaurants, Recreation & Entertainment) (5)	2.1	0.0	0.0	1.1	1	0.0	0.0	0.0	4.7	6.8
Information (Data Processing, Information Services & Publishing) (9)	6.3	3.7	0.0	2.4	0.1	0.0	0.0	0.0	6.4	12.7
Professional, Scientific, and Technical Services (Consulting, Legal, Accounting, & Network Services) (29)	6.7	0.2	0.0	3.7	0.3	0.0	2.4	0.1	5.3	12.0
Public Utilities (13)	10	6.9	0.0	2.7	0.3	0.0	0.0	0.2	3.1	13.1
Rental, Leasing and Real Estate (10)	0.7	0.0	0.0	0.3	0.0	0.4	0.7	0.0	2.4	3.2
Retail Trade (18)	3.1	0.0	0.0	1.3	0.8	0.9	0.0	0.1	3.6	6.7
Support and Management Services (Management Companies & Administrative Support) (6)	2.6	0.0	0.0	1.9	0.6	0.0	0.0	0.1	4.7	7.3
Trade Associations, Business Federations & Chambers of Commerce (33)	7.2	1.8	0.0	4.3	0.1	0.0	0.9	0.1	4.1	11.3
Transportation, Distribution & Warehousing (10)	6.1	4.5	0.0	0.6	0.0	0.0	0.8	0.1	3.3	9.4
Wholesale Trade (13)	11.0	4.9	0.0	1.8	4.2	0.0	0.1	0.0	2.6	13.6
Other Non-Manufacturing Industries (9)	13.0	11.9	0.0	0.8	0.0	0.0	0.0	0.2	2.4	15.3

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Employee Contributions

Unlike the preceding tables in this publication, which report employer payments, this section also reports contributions made by the employee. Overall, employees contributed 13.8% of payroll to their benefits. This amount is separate from the overall 44.2% of payroll payments made by the employer. Employer vs. employee contributions to medical and retirement benefits are outlined in the tables below.

Medical Benefits Costs and Contributions Among Employers and Employees Reporting Payments

		Average Employer Payment		Average Employee Payment		
	Number of Companies Reporting	Dollars per Employee ($)	Percentage of Payroll (%)	Dollars per Employee ($)	Percentage of Payroll (%)	Total Medical Benefit Cost per Employee ($)
Total, Medical (Among Those Reporting Payments)	363	$5,931	14.6%	$1,303	3.1%	$7,234
Hospital, Surgical, Medical, and Major Medical Insurance	319	4,648	11.5	874	2.0	5,522
HMO Plan Only	35	3,682	9.7	715	1.6	4,397
PPO Plan Only	182	3,664	7.6	986	2.0	4,650
POS Plan	12	3,984	9.0	1,224	2.4	5,208
Indemnity Plan Only	6	4,313	6.5	886	5.3	5,199
Dental Insurance	211	263	0.5	135	0.3	398
Vision Care	74	19	0.04	39	0.1	58
Retiree Health Insurance	59	900	2.4	331	0.9	1,231
Life Insurance	247	148	0.3	52	0.1	200
Prescription Drug Coverage	43	728	1.9	90	0.2	818
Health Plan Administration	46	44	0.1	—	—	44
Short-term Disability	146	207	0.5	6	0.01	213
Long-term Disability	215	145	0.3	23	0.05	168

Retirement Costs and Contributions Among Employers and Employees Reporting Payments

		Average Employer Payment		Average Employee Payment		
	Number of Companies Reporting	Dollars per Employee ($)	Percentage of Payroll ($)	Dollars per Employee ($)	Percentage of Payroll (%)	Total Medical Benefit Cost per Employee ($)
Total, Retirement (Among Those Reporting Payments)	330	$3,660	8.6%	$1,716	3.5%	$5,376
Defined Benefits Pension Plan	60	4,183	10.8	—	—	4,183
401(k) and Defined Contribution	276	950	1.9	1,778	3.6	2,728
Cash Balance/Hybrid	5	1,578	3.1	—	—	1,578
Profit-Sharing	90	1,287	2.7	—	—	1,287
Stock Bonus/ESOP	13	394	1.2	—	—	394
Other	40	997	1.8	73	0.2	1,070

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TABLE 19

Employee Contributions as a Percentage of Payroll, by Industry Group

Industry Group	Total %	Federally-Required Payroll Taxes	Medical and Medically-Related Benefits Payments, Including Life Insurance Premiums	Retirement and Savings Plan Payments	Miscellaneous	Total Annual Dollars per Employee ($)
Total, All Companies	15.7%	7.2%	2.8%	5.6%	0.0%	$8,036
Total, All Manufacturing	14.9	7.5	3.6	3.9	0.0	7,077
Chemicals (Including Pharmaceutical Companies)	16.0	6.6	3.2	6.2	0.0	11,773
Computer, Electronic, and Electrical Products/Components	17.8	8.3	2.6	6.9	0.0	9,573
Fabricated Metal Products	16.8	7.2	4.7	4.9	0.0	7,451
Food, Beverage, and Tobacco	12.6	8.0	0.9	3.0	0.7	6,198
Industrial Machinery & Equipment	21.3	10.2	6.4	4.7	0.0	11,948
Instruments and Related Products	12.3	7.1	4.3	0.8	0.0	4,498
Non-Metallic Products (Rubber, Leather, Plastic, Glass, Clay)	12.8	7.2	5.3	0.3	0.0	4,055
Primary Metal Products (Steel, Smelting & Wire Drawing)	14.6	6.4	0.7	7.5	0.0	8,549
Printing & Related Support Activities	13.5	7.1	3.9	2.4	0.0	6,457
Pulp, Paper, Lumber, and Furniture	14.8	7.2	3.6	4.0	0.0	5,172
Textile & Apparel	17.1	7.6	3.4	6.1	0.0	8,522
Transportation Equipment	14.1	7.6	2.4	4.1	0.0	7,100
Other Manufacturing Industries	14.0	7.3	1.6	5.1	0.0	6,848
Total, All Non-Manufacturing	13.4	7.3	2.9	3.3	0.0	5,838
Construction	14.0	7.4	3.1	3.5	0.0	5,924
Educational Services	12.1	7.3	4.0	0.8	0.0	4,149
Finance and Insurance	15.9	7.0	3.4	5.5	0.0	8,660
Health Care & Social Assistance	12.0	7.1	2.3	2.5	0.0	4,941
Hospitality (Lodging, Restaurants, Recreation & Entertainment)	13.7	8.0	1.0	4.7	0.0	4,576
Information (Data Processing, Information Services & Publishing)	18.3	7.3	4.6	6.4	0.0	11,897
Professional, Scientific, and Technical Services (Consulting, Legal, Accounting, & Network Services)	15.4	7.5	2.6	5.3	0.0	11,549
Public Utilities	12.4	7.2	2.0	3.1	0.0	6,517
Rental, Leasing and Real Estate	10.3	7.0	0.9	2.4	0.0	3,448
Retail Trade	15.0	7.1	4.3	3.6	0.0	6,728
Support and Management Services (Management Companies & Administrative Support)	14.8	7.7	2.4	4.7	0.0	8,144
Trade Associations, Business Federations & Chambers of Commerce	13.1	6.8	2.1	4.1	0.0	8,139
Transportation, Distribution & Warehousing	11.9	7.6	1.1	3.3	0.0	5,182
Wholesale Trade	14.3	7.5	4.2	2.6	0.0	6,599
Other Non-Manufacturing Industries	12.9	7.5	3.0	2.4	0.0	4,292

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How Your Company's Benefits Costs Measure Up

A copy of the instructions and survey questionnaire used to conduct the *Study* is reproduced following this section. To determine how your company's benefits costs measure up, complete the survey based on your company's 2005 payroll and expenditures. Next, complete lines 1 through 4 below and perform the listed calculations. Finally, compare your calculated figures to the findings of the *Study*.

1. **Average hours per week worked by a typical full-time employee in 2005:** (Third line from the bottom on the first page of the survey): _____ hours
2. **Full-Time Equivalent Employees** (Second line from the bottom on the first page): $_____
3. **Total Gross Payroll** (Last line on the first page): $_____
4. **Total Employer Benefits Payments** (Line 35 on the last page of the survey): $_____

Percentage of Payroll Spent on Employee Benefits

To calculate the cost of employee benefits as a percent of payroll, divide **Total Employer Benefit Payments** (line 4 above) by **Total Gross Payroll** (line 3 above):

$$\frac{\text{Total Employer Benefit Payments}}{\text{Total Gross Payroll}} = _____\%$$ Percent of Payroll Spent on Employee Benefits

Annual Dollars Spent on Benefits Per Employee

To calculate the cost of employee benefits as annual dollars per employee, divide **Total Employer Benefit Payments** (line 4 above) by **Full-Time Equivalent Employees** (line 2 above):

$$\frac{\text{Total Employer Benefit Payments}}{\text{Full-Time Equivalent Employees}} = \$_____$$ Annual Dollars Spent on Benefits per Employee

Cents Per Payroll Hour Spent on Employee Benefits

To calculate the cost of employee benefits as cents per payroll hour, first calculate **Total Payroll Hours** by multiplying **Full-Time Equivalent Employees** (line 2 above) by **Average Weekly Hours** (line 1 above), and then by 52, to account for all 52 weeks of the year.

Full-Time Equivalent Employees x Average Weekly Hours x 52 weeks = _____ Total Payroll Hours

Next, divide **Total Employer Benefit Payments** (line 4 above) by **Total Payroll Hours** (calculated above):

$$\frac{\text{Total Employer Benefit Payments}}{\text{Total Payroll Hours}} = _____¢$$ Cents per Payroll Hour Spent on Employee Benefits

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Definitions

The *Employee Benefits Study* includes both **benefits** (such as health insurance, contributions to retirement and savings plans, vacation and sick leave) and **legally required payments** (such as Social Security payroll tax, unemployment insurance tax, and state workers' compensation insurance premiums). Total benefit costs in this study include legally required payments.

- **Pay** is defined simply as gross payroll. In some cases, certain benefits are also a part of gross payroll (e.g., vacation pay, holiday pay, sick leave). For example, sick leave, when presented as a percentage of payroll, is a part of both the numerator and the denominator in the equation.
- **Per Employee** figures are based on the total number of 2005 full-time equivalent employees as reported by the survey respondents. For example, where a full-time worker averages 40 hours a week, two workers averaging 20 hours a week are considered one full-time equivalent employee.
- **Total Gross Payroll** includes total actual wages prior to employee deductions (such as taxes and employee contributions to 401(k) plans), bonuses and commission.
- For the majority of the analysis, benefits are analyzed in terms of average benefit *per employee* rather than *per employer.* To illustrate the significance of this distinction, consider an example computation of average sick leave pay provided by two employers.
  - Employer A has 100 full-time employees and provides $500 sick leave pay per employee.
  - Employer B has 10 full-time employees and provides $100 sick leave pay per employee.

Average sick leave pay provided to the typical employee	Average sick leave pay provided by the typical employer
$\frac{(\$500 \times 100 \text{ employees}) + (\$100 \times 10 \text{ employees})}{110 \text{ total employees}}$	$\frac{(\$500 + \$100)}{2 \text{ employers}}$
= $460 sick leave pay per employee	= $300 sick leave pay per employee

Thus, our analysis computes the average for each benefit by weighting the benefits provided by the number of full-time equivalent employees.

- For companies not offering a benefit, the total cost of providing that benefit was considered to be $0. Therefore, the "average" cost of providing a benefit within any given survey group will be lowered proportionately by the number of companies within that group which do not offer that benefit at all. In this sense, the survey reports the actual average amount received across all employees within that group, not the average amount provided by employer firms offering that benefit.

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The following are definitions of benefits terms used throughout the *Study*. Please reference the instructions and survey on pages 49-54 for additional definitions and to help augment your understanding of concepts.

- Cafeteria plan: a plan in which participants are allowed to choose from two or more benefits with taxable or nontaxable compensation elements.
- Cash balance plan: a defined benefit plan that meets the funding and legal requirements for a defined contribution plan. The plan credits benefits to interest-bearing accounts for participants, translating to a defined benefit on retirement.
- Defined benefit plan: a retirement plan which makes available a predetermined sum of retirement income, typically based on actuarial elements, e.g., length of service, salary and retirement age.
- Defined contribution plan: a qualified retirement plan in which specified contributions are made to the individual accounts of participants, with benefits based solely on those contributions and their investment performance.
- Employee Stock Ownership Plan (ESOP): an individual account plan that provides shares of stock in the sponsoring company to participating employees' retirement plans.
- Flexible Spending Accounts: allow employees to have pretax dollars withheld from their salaries to pay for un-reimbursed deductibles, co-pays, and other expenses not covered by participants' health care plans.
- Health Maintenance Organization (HMO): a prepaid managed medical plan that provides specified services to enrolled members through designated hospitals and doctors for a fixed premium per person.
- Health Savings Accounts: tax-free savings accounts that must be combined with a qualified high-deductible health plan. They allow workers under age 65 to accumulate tax-free savings that can only be spent on medical expenses.
- Indemnity plan: a health insurance program that provides specific cash reimbursements for covered services. Payments may be made directly to the patient or assigned to a provider.
- Money purchase plan: a defined contribution plan where employer contributions are usually determined as a fixed percentage of pay and allocated to participants' accounts.
- Point of Service (POS): a health plan that allows members to choose to receive services from a participating or nonparticipating network provider, usually with a financial disincentive for going outside the network.
- Preferred Provider Organization (PPO): a managed health care plan in which a network of physicians and other service providers (e.g., hospitals and labs) agrees to serve a group of employees in a fee-for-service arrangement, usually at discounted rates based on volume purchasing power.
- Profit-Sharing plan: a defined contribution plan where contributions are allocated among participants' accounts according to an established formula, with payment based on age, fixed number of years or occurrence of an event such as disability.
- Employee stock ownership or bonus plan: a type of qualified defined contribution plan established and maintained by an employer to provide benefits similar to a profit sharing plan, except that benefits are generally paid in the form of the employer's stock.
- Vested: refers to the employee's right to receive the full value of the account. (For example, individuals who are 100 percent vested can withdraw all of the funds that are set aside for them in a retirement fund, although taxes may be due on any funds that are actually withdrawn.)

USCC 56643

2006 EMPLOYEE BENEFITS SURVEY (reporting data from calendar/fiscal year 2005)
INSTRUCTIONS

This survey is confidential. Data from individual firms will not be disclosed. Data will be published only in the aggregate for groups of companies. Only persons handling this survey will see your responses.

A. Coverage: Use year end figures, either fiscal or calendar 2005. **Note:** Include data for *all* employees *except* officers of the company or similar executives who receive dramatically different compensation packages from the average employee at your company.

B. Approximate or incomplete data: If you are unable to give an exact cost of a benefit program that your company offers, please give your best estimate. Where possible, guidelines for estimating costs are provided.

C. Cost for benefits not offered: If your company DOES NOT offer a benefit listed on the survey, please enter a "0" in the amount box. If data cannot be provided, write "missing".

D. Instructions for specific questions: A footnote after a question indicates that further instructions are provided below.

Section B

[1] **Women/minority-owned business:** At least 51% owned by 1 or more women/minorities who have ultimate fiscal and legal responsibility for the business, manage its daily operations, and are either the original majority owner(s) or verified purchasers of the business.

[2] **Average number of employees:** Do not include data for officers or similar executives if their compensation package is drastically different from the average employee at your company.

[3] **Full-time equivalent employees:** A full-time equivalent employee is a worker who averages 40 hours per week or a combination of part-time workers who average a combined 40 hours per week (e.g., 2 part-time workers who average 20 hours per week are considered 1 full-time equivalent employee).

[4] **Total gross payroll (required):** Report total 2005 year-end payroll prior to any deductions, including bonuses and commission (e.g., deductions for taxes, 401(k) plans), not take-home pay.

Section C

[5] **Workers' compensation:** If your company is self-insured, report total amount of actual disbursements and/or state assessments.

[6] **Other legally required payments:** Examples of other legally required payments might include state and local payroll and Federal Railroad Retirement taxes.

Section D

[7] **Cafeteria plans or mixed benefits:** If you have a cafeteria plan, allocate costs based on the proportional sharing of costs under the cafeteria program. For example, if the total cost for the cafeteria program was $1,000,000 and the employer's contribution was $800,000, the employer's share for each of the programs should be prorated at 80% of the program cost, and the employees' share would be 20% of the program cost.

Section E

[8] **Estimation guidelines for holidays, sick days, and paid time off:** If you are unable to provide actual figures for paid day off expenses please estimate each paid day off as .00385 x (multiplied by) total gross payroll.

[9] **Leave benefits:** Complete the sections that best describe your leave policies. If your company provides "personal leave days", include the number and costs of personal days in paid time off or sick leave.

[10] **Paid rest periods:** Estimate the cost of paid breaks for **hourly employees only** as 2% of gross hourly payroll for each 10-minute rest period of a typical hourly worker on a typical day. Report these costs whether or not there is a formal rule providing for such periods.

Section F

[11] **Hospital, surgical, medical, and major medical insurance:** Report total company payments and employee payroll deductions for premiums and/or expenses (except administration) related to hospital, surgical, medical, and major medical insurance including coverage through HMO, PPO, Point of Service, Indemnity, or self-insured plans.

[12] **Life insurance premiums and death benefits:** Report total net payments for life insurance coverage as well as death benefit payments made that were not covered by insurance. Exclude premiums for life insurance purchased under a pension plan, as they should be reported as part of pension plan expenses.

[13] **Long-term disability or wage continuation:** Report actual 2005 expenditures, whether from insurance costs, self-administered, or trust program.

[14] **Short-term disability, sickness, or accident insurance:** If your company pays actual costs rather than insurance premiums, please report your total actual expenditures for 2005.

[15] **Health care premiums:** If your company does not pay a defined percent of health care costs, please estimate the average company contribution as a percentage of health care premium cost for a typical employee. Example: If the company pays for the entire cost of health care for employees, 50% of family costs, but does not offer separate policies for dependents, the response would be: Employee 100%; Spouse/Partner N/A; Child N/A; Family 50%.

Section G

[16] **Defined benefit pension plan:** Defined benefit pension plans (i.e., plans insured by the Pension Benefit Guaranty Corporation) involve a promise to pay a fixed level of benefits on retirement. Report net payments after deducting any dividends or credits returned to employer by insurer.

[17] **Other retirement and savings plan payments:** Examples of other expenses might include nonqualified deferred compensation plans.

For assistance or suggestions, please call 202-463-5381 or e-mail: ebstudy@uschamber.com.

USCC 56644

2006 Employee Benefits Study (reporting data from calendar/fiscal year 2005)

U.S. Chamber of Commerce Statistics and Research Center

Write answers clearly, and fill in response bubbles completely. Footnotes indicate that further guidance is provided in attached instruction sheet - please review carefully.

A. CONTACT INFORMATION (for office purposes only) *Note: Your complimentary copy of the Study will be sent to your attention at this address.*

Name:

Company:

Telephone Number: E-mail:

Address:

City: State: Zip Code:

May we include your company name in an alphabetic list of participants? O Yes O No

B. ABOUT YOUR COMPANY

Please fill in the bubble that best describes the industry which provides the greatest portion of your company's revenues.*

Please mark only ONE industry.

Non-Manufacturing

- O Construction
- O Educational Services
- O Finance & Insurance
- O Health Care & Social Assistance
- O Hospitality (lodging, restaurants, recreation & entertainment)
- O Information (data processing, information services & publishing)
- O Professional, Scientific & Technical Services (consulting, legal, accounting & network services)
- O Public Utilities
- O Rental, Leasing & Real Estate
- O Retail Trade
- O Support & Management Services (management companies & administrative support)
- O Trade Associations, Business Federations & Chambers of Commerce
- O Transportation, Distribution & Warehousing
- O Wholesale Trade
- O Other non-manufacturing industry

Manufacturing

- O Chemicals (including pharmaceuticals)
- O Computer, Electronic & Electrical Products/Components
- O Fabricated Metal Products
- O Food, Beverage & Tobacco
- O Industrial Machinery & Equipment
- O Instruments & Related Products
- O Non-metallic Products (rubber, leather, plastic, glass, clay, stone & concrete)
- O Primary Metal Products (including steel, smelting & wire drawing)
- O Printing & related support activities
- O Pulp, Paper, Lumber & Furniture
- O Textile & Apparel
- O Transportation Equipment
- O Other manufacturing industry

** Visit http://www.census.gov/epcd/naics02/naicod02.htm#N11 for a complete guide in determining your company's industry.*

Please summarize your company's major line of business:

Is your company organized under a nonprofit tax status? (e.g., 501c, 501c3) O Yes O No

In which geographic area do the majority of your employees work? Please mark only ONE region

- O New England (ME, VT, NH, MA, CT, RI)
- O Middle Atlantic (NY, PA, NJ)
- O East North Central (WI, IL, MI, IN, OH)
- O West North Central (ND, SD, NE, KS, MN, IA, MO)
- O South Atlantic (WV, VA, MD, DE, DC, NC, SC, GA, FL)
- O East South Central (KY, TN, MS, AL)
- O West South Central (TX, OK, AR, LA)
- O Mountain (MT, ID, WY, NV, UT, CO, AZ, NM)
- O Pacific (WA, OR, CA, HI, AK)
- O Employees not centralized in any one area

Do the majority of your employees work in a metropolitan area? O Yes O No

Is your company woman-owned?[1] O Yes O No Is your company minority-owned?[1] O Yes O No

Average number of employees (non-officer[2]) throughout 2005 for whom you are reporting data (include exempt employees):

Full-time: ,, Part-time: ,,

Average hours per week worked by a typical employee in 2005: Full-time: Part-time:

Total 2005 *full-time equivalent employees*[3] included in your survey data ,,
(NOTE: This number should be equal to or less than the average number of employees reported above)

Total 2005 Gross Payroll[4] (actual wages, including bonuses & commission) $,,,

Report total payroll disbursements prior to employee deductions of all income and payroll taxes, and pay deferral programs (such as 401(k) plans and other deductions).

Receipt #

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For all figures, provide total year-end 2005 expenses (either fiscal or calendar 2005, whichever is easier for you).

C. LEGALLY-REQUIRED PAYMENTS (Please do not include income taxes in any of these calculations)

	Employee Share	Employer Share
1. Federally-required payroll taxes (i.e., Social Security/Medicare/FICA taxes) Note: Employee & Employer shares should each equal approximately 7.65% of payroll. EXCLUDE income tax.	$ ___,___,___	$ ___,___,___
2. Federal & state unemployment employer payments (e.g., taxes, penalties, assessments)		$ ___,___,___
3. Workers' compensation employer payments[5] (e.g., insurance premiums, taxes, penalties, assessments)		$ ___,___,___
4. Other[6] e.g., state and local payments (EXCLUDE income tax)	$ ___,___,___	$ ___,___,___

Description of "other" costs: _____

I. Total employer legally-required benefit payments: (Total of lines 1-4, employer's share only) $ ___,___,___,___

D. OVERALL BENEFITS

5. Which of the following best describes your company's employee benefit offerings?[7]

- ○ None offered beyond legally-required benefits
- ○ Fixed benefit plan
- ○ Cafeteria plan (allow employees to choose between benefits and/or benefit plans)
- ○ Mixed benefit package (part of the benefits package is fixed and part is cafeteria)

6. Which of the following benefits do you offer to your workers? *Mark all that apply*

	Full-time	Part-time		Full-time	Part-time
Paid holidays	○	○	Health insurance	○	○
Paid vacation	○	○	Dental insurance	○	○
Paid sick leave	○	○	Vision insurance	○	○
Short-term disability, sickness, or accident	○	○	Life insurance	○	○
Long-term disability or wage continuation	○	○	Retirement plan(s)	○	○

E. PAYMENTS FOR TIME NOT WORKED

7. Please indicate what types of paid leave benefits (other than holidays) your company offers:

a. ○ None - our company does not offer ANY paid time off benefits. Please skip to Question 8 on the next page

PAID TIME OFF PLAN

b. ○ Paid time off plan (i.e., combined vacation, sick, and personal leave account)

Total actual payments for paid time off plan in 2005[8, 9] (Include expenses for paid time off paid for, but not taken) — Employer Share $ ___,___,___

How many annual days would a typical employee with the following years of service at your company receive in his/her paid time off account? (not including floating holidays)

1 year: ___ days 5 years: ___ days 10 years: ___ days 15 years: ___ days 20 years: ___ days

OR

TRADITIONAL VACATION AND SICK LEAVE PLAN

c. ○ Paid vacation (other than paid time off plan)

Total actual payments for paid vacation in 2005[8, 9] (Include expenses for vacation time paid for, but not taken) $ ___,___,___

How many annual vacation days would a typical employee with the following years of service at your company receive? (Include personal days, but not floating holidays)

1 year: ___ days 5 years: ___ days 10 years: ___ days 15 years: ___ days 20 years: ___ days

d. ○ Paid sick leave (other than paid time off plan)

Total actual payments for sick leave in 2005[8, 9] (Include expenses for sick and personal leave paid for, but not taken) $ ___,___,___

What was the average number of sick days and personal leave GIVEN ___ **and TAKEN** ___ **per employee in 2005?**

Receipt # ____

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