

Alternatives to Frozen Defined Benefit Pension Plans

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Since their introduction in the 1980s, 401k plans and other types of defined contribution plans have become the primary means of retirement savings, leading many employers to freeze their current defined benefit plan and provide alternatives, such as a new defined benefit plan, a new defined contribution plan, or an enhanced existing defined contribution plan.

Introduction

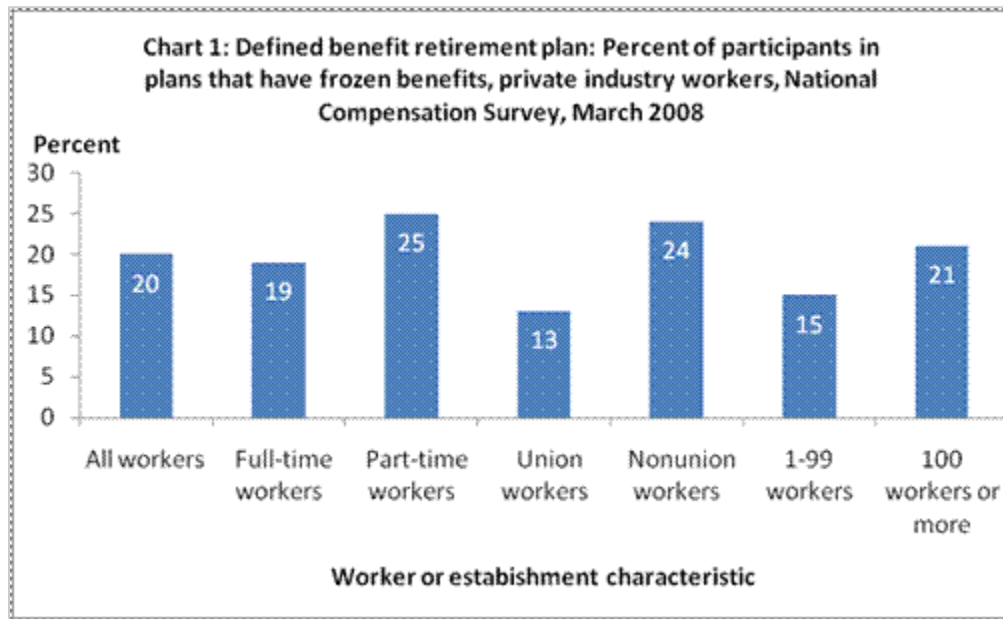
Defined benefit pension plans have played an integral role in developing retirement protection for millions of American workers. These pension plans have allowed retirees to secure monthly income for life, with payments based on service and salary. Such plans in the United States were initially developed to promote job stability and create a more career-minded labor force.¹ Since their introduction in the 1980s, 401k plans--a type of defined contribution plan--have grown to become the a primary means of retirement savings, leading employers to replace their defined benefit plans with defined contribution plans for both current and new employees.

Many employers have opted to freeze their current defined benefit plan and provide an alternative. Alternatives available to employees include a new defined benefit plan, a new defined contribution plan, or an enhanced existing defined contribution plan.² With the number of defined benefit plans steadily decreasing and frozen pension plans increasing, this migration could have major negative implications for those workers in the later stages of their career, where plan contributions may be at their highest. Employees are and will continue to be forced to reevaluate their retirement savings needs as employers alter their benefits package.

When a defined benefit plan is frozen, the employer may restrict entry into the plan and limit future contributions. The degree to which contributions and entry is limited will depend on the type of freeze. In some cases, an employee may stop accruing benefits in the event of a freeze, but the plan will continue in operation, protecting the benefits already accrued. Employers continue to make required contributions to fund accrued benefits.

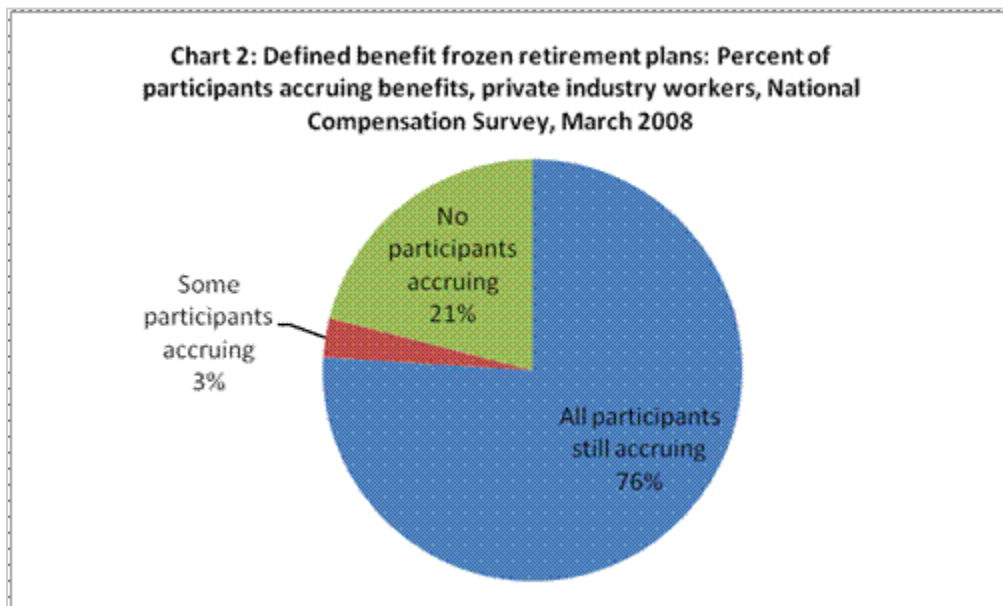
BLS Frozen Plan Data

The [Bureau of Labor Statistics \(BLS\)](#) recently began collecting data on frozen defined benefit pension plans, including details pertaining to the percent of workers participating in frozen plans, benefit accruals, and enrollment alternatives for employees in frozen plans. As chart 1 and table 1 show, data from the March 2008 [National Compensation Survey \(NCS\)](#) on employee [benefits](#) indicate that a fifth of all private industry workers participating in a defined benefit plan are affected by a freeze.³ A plan is considered frozen if the plan is closed to new workers or the plan ceased accruals for some or all plan participants.



Prior to the availability of the NCS data, information on frozen plans came mostly from a Government Accountability Office (GAO) study released in 2008. GAO found that about half of all plan sponsors in their study population had one or more frozen defined benefit plans. Overall, about 3.3 million active participants in the study population, who represent about 21 percent of all active participants in the single-employer defined benefit system, are affected by a freeze.⁴ The [March 2008 National Compensation Survey benefits data](#) show that 21 percent of private industry workers had access to a defined benefit plan and 20 percent participated in a defined benefit plan (See table 2). According to a 2005 study by the Pension Benefit Guaranty Corporation, the number of private sector defined benefit plans peaked in the mid-1980s at 112,000, compared with about 30,000 at the time of the study.⁵

The type of freeze will determine what restrictions are in place on the current pension plan. As chart 2 shows, among those workers enrolled in a frozen plan, the majority (76 percent) were in plans under a “soft freeze,” which implies that the plan is closed to new entrants, but all current participants continue to accrue benefits. Another 21 percent were under a “hard freeze,” which implies that a plan is closed to new entrants and current participants no longer accrue additional benefits. (See table 3.)

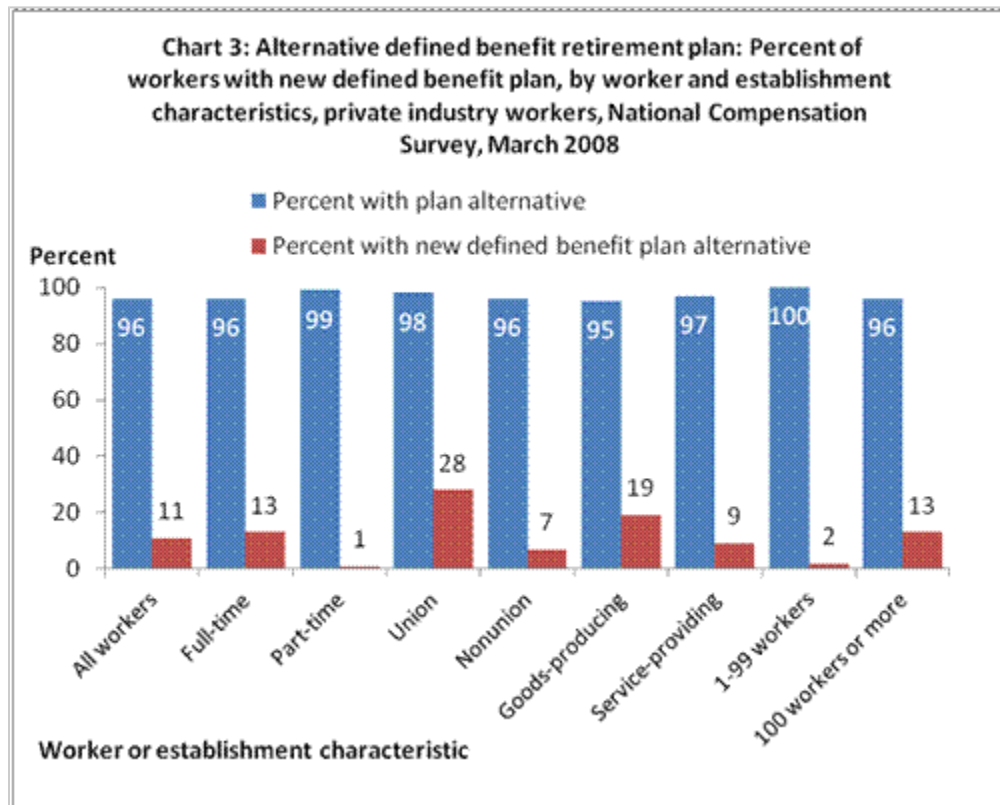


The remainder of this article concentrates on defining and discussing alternatives for those affected by a freeze in their benefit plan.

Plan Alternatives

Of the private industry workers affected by a freeze, 96 percent had an alternative made available to them to help offset losses from their frozen defined benefit plan. Employees may be offered one of the following alternative retirement plans: a new defined benefit plan, an enhanced existing defined contribution plan, or a new defined contribution plan. (See table 4 for a detailed look into plan alternatives by worker and establishment characteristics and by wage percentiles.)

New defined benefit plan. As can be seen in chart 3, of all private industry workers participating in a frozen defined benefit plan, roughly 11 percent had a new defined benefit plan made available to them. Although this option is not common, workers in three groups--unions, large establishments, and the goods-producing industries--are given this alternative at a higher rate than other workers. Defined benefit plans tend to be more prevalent among union workers than among nonunion workers, which helps explain why private industry union workers participate in a new defined benefit pension plan at a rate that is 4 times higher than nonunion workers.⁶ Defined benefit plans place more of the responsibility on the employer, whereas with other retirement savings plans, the employees assume more responsibility and risk in managing their retirement funds.⁷

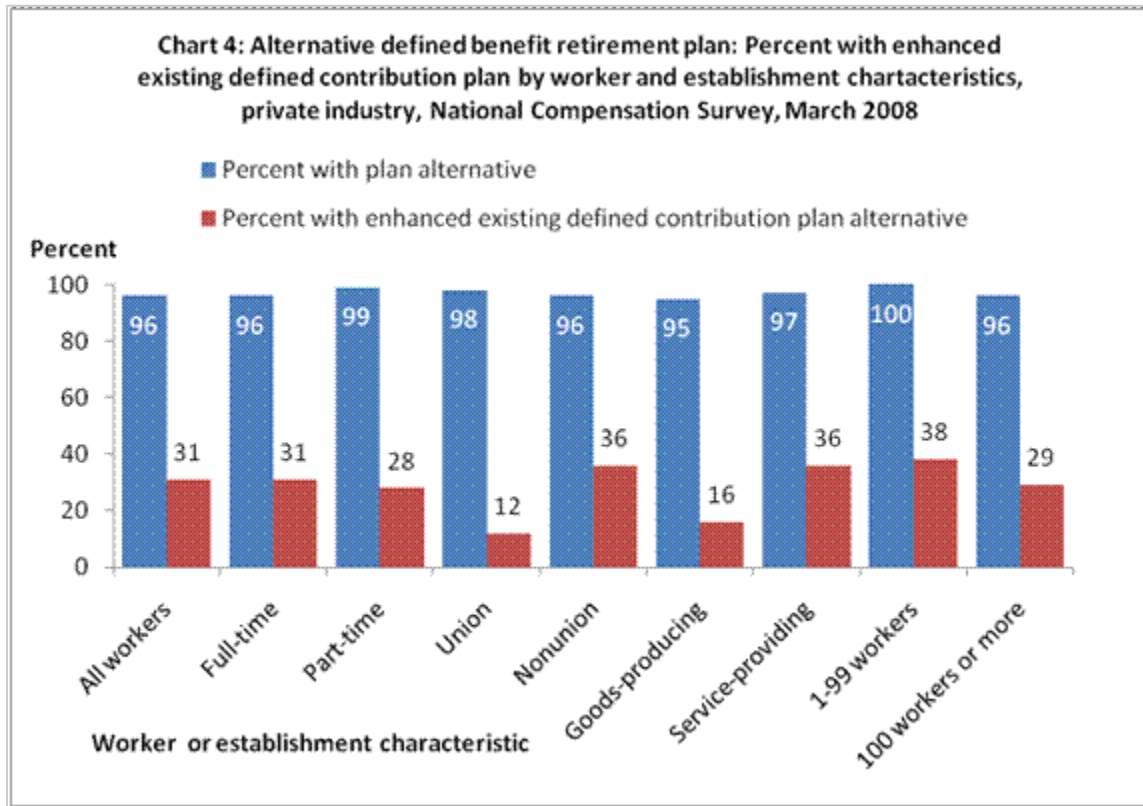


Among part-time workers participating in a frozen defined benefit plan, a very low percentage are offered a new defined benefit plan. According to the [March 2008 National Compensation Survey benefits data](#), only 11 percent of part-time private industry workers had access to a defined benefit plan, 14 percentage points less than full-time workers.⁸ Part-time workers are more commonly associated with service occupations, lower wage jobs, and small establishments, as opposed to white-collar and blue-collar occupations, higher wage jobs, and large establishments, which tend to have more full-time workers. As a way to cut cost and divert risk, employers, especially those of small establishments, may reduce the availability of defined benefit pensions to part-time employees and instead, offer an alternative.

Enhanced existing defined contribution plan. Within defined contribution plans, contributions, whether they come from the employee or the employer (or both), are added to the employee's individual account. Examples of defined contribution plans

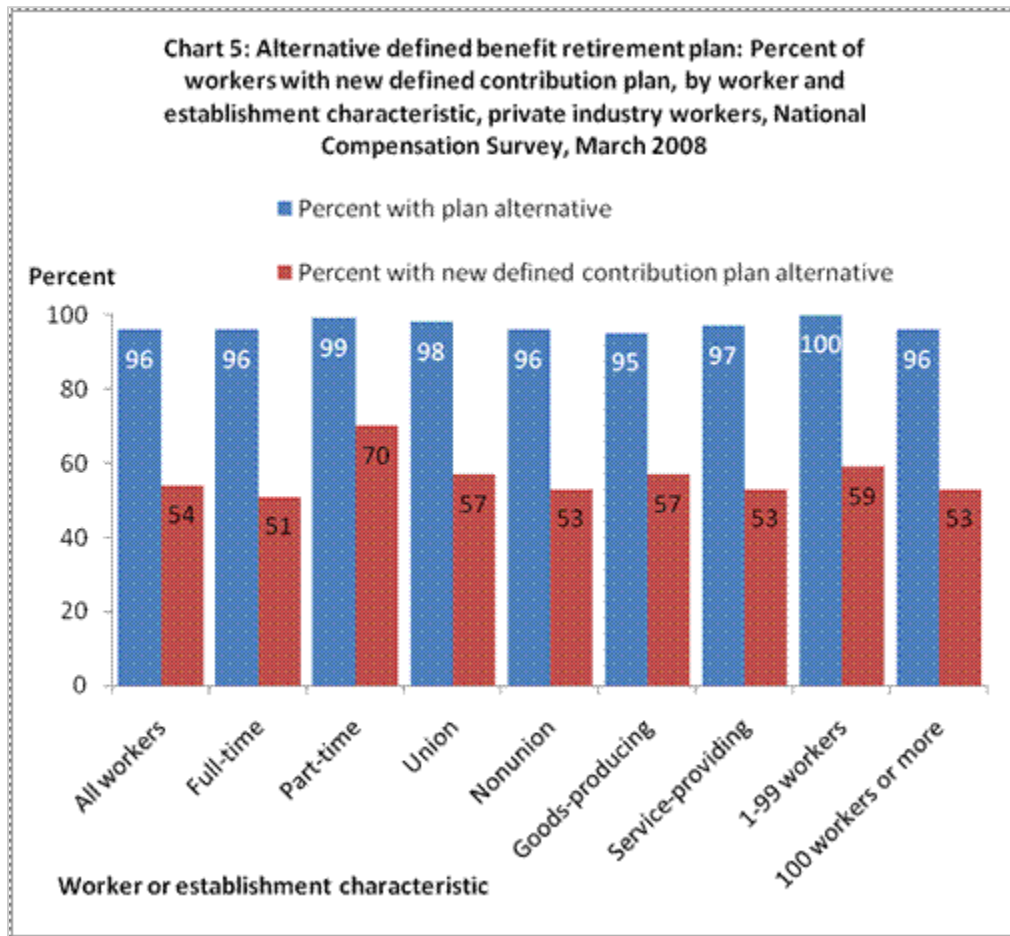
include 401(k) plans, 403(b) plans, employee stock ownership plans, and profit-sharing plans.⁹ Defined contribution plans require the employee to actively participate in building and maintaining their retirement savings.

As chart 4 shows, 31 percent of private industry workers affected by a defined benefit plan freeze are offered an enhanced existing defined contribution plan. Some employers may already have a defined contribution plan and can provide an incentive to those affected by a defined benefit freeze to switch to the defined contribution plan. Unlike the new defined benefit plan alternative, an enhanced existing defined contribution plan is more readily available to nonunion workers and workers within the service-providing industries.



New defined contribution plan. Participation in defined contribution plans has increased significantly over the years. Defined contribution plans have rapidly grown into the leading retirement savings option for private industry workers. Employers have continued to move forward with less reliance on defined benefit plans and more on defined contribution plans. Forty-three percent of private industry workers participate in a defined contribution plan, which is an increase of 8 percentage points when compared with 1992-93 data.¹⁰

Of the options that might be available to employees in frozen defined benefit plans, a new defined contribution plan was the most prevalent. As can be seen in chart 5, of the private industry workers whose defined benefit plan was frozen, 54 percent were given the option of a new defined contribution plan. This option was widespread across worker and establishment characteristics, most notably among part-time workers and in small establishments (1 to 99 workers).



For many, plan freezes have and will continue to have a major influence on how employees approach their retirement savings in the future. Although recent data from BLS show that workers affected by a freeze tend to have alternative plans made available to them, freezes in general consistently affect workers across industry and occupation. BLS will continue to track and research data regarding frozen defined benefit plans, with the intent of providing updated data annually.

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Notes

1 Stephen P. McCourt, "Defined Benefit and Defined Contribution Plans: A History, Market Overview and Comparative Analysis," International Foundation of Employee Benefit Plans, February 2006; available on the Internet at <http://www.ifebp.org/PDF/webexclusive/06feb.pdf>.

2 BLS currently collects data regarding enrollment alternatives for employees in frozen plans. Those alternatives include a new defined benefit plan, a new defined contribution plan, an enhanced existing defined contribution plan, or other. This article examines each of these alternatives except for "other." For more information regarding other retirement plans that could be made available to employees in frozen plans, visit the Internal Revenue Service website at <http://www.irs.gov/retirement/content/0,,id=111422,00.html>.

3 The National Compensation Survey produces comprehensive data on the incidence (the percentage of workers with access to and participation in employer provided benefit plans) and provisions of selected employee benefit plans.

4 The Government Accountability Office conducted a study on defined benefit pension plan freezes and found that about half of all sponsors in their study population had one or more frozen defined benefit plans. Overall, about 3.3 million active participants in the study population, who represent about 21 percent of all active participants in the single-employer defined benefit system, are affected by a freeze. See Defined Benefit Pensions: Plan Freezes Affect Millions of Participants and May Pose Retirement Income Challenges, GAO-08-817 (Government Accountability Office, July 2008); available on the Internet at <http://www.gao.gov/new.items/d08817.pdf>.

5 *An Analysis of Frozen Defined Benefit Plans* (Pension Benefit Guaranty Corporation, December 21, 2005), p. 1; available on the Internet at http://www.pbpc.gov/docs/frozen_plans_1205.pdf.

6 NCS data show that 67 percent of Union workers chose to participate in a defined benefit plan in March 2008, considerably more than the 15 percent of nonunion workers. See *National Compensation Survey: Employee Benefits in the United States, March 2008*, Bulletin 2715 (Bureau of Labor Statistics, September 2008), table 2; available on the Internet at <http://www.bls.gov/ncs/ebs/benefits/2008/ownership/private/table02a.pdf>.

7 For more information on the various types of retirement plans, see "Retirement Plans, Benefits & Savings: Types of Retirement Plans," on the U.S. Department of Labor website at <http://www.dol.gov/dol/topic/retirement/typesofplans.htm>.

8 See *National Compensation Survey: Employee Benefits in the United States, March 2008*, Bulletin 2715 (Bureau of Labor Statistics, September 2008), table 2; available on the Internet at <http://www.bls.gov/ncs/ebs/benefits/2008/ownership/private/table02a.pdf>.

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10 See Stephanie L. Costo, "Trends in retirement plan coverage over the last decade," *Monthly Labor Review*, February 2006; available on the Internet at <http://www.bls.gov/opub/mlr/2006/02/art5full.pdf>.

Table 1: Defined benefit retirement plan: Percent of participants in plans that have frozen benefits, private industry workers, National Compensation Survey, March 2008

	Open plans	Frozen plans
All workers	80	20
Worker characteristics		
Management, professional, and related	81	19
Management, business, and financial	79	21
Professional and related	82	18
Service	80	20
Sales and office	75	25
Sales and related	61	39
Office and administrative support	80	20
Natural resources, construction, and maintenance	91	9
Construction, extraction, farming, fishing, and forestry	96	4
Installation, maintenance, and repair	86	14
Production, transportation, and material moving	79	21
Production	78	22
Transportation and material moving	81	19
Full time	81	19
Part time	75	25
Union	87	13

Footnotes:

(1) The percentile groupings are based on the average wage for each occupation surveyed, which may include workers both above and below the threshold. The percentile values are based on the estimates published in "National Compensation Survey: Occupational Earnings in the United States, 2007."

(2) The States that comprise the census divisions are: New England: Connecticut, Maine, Massachusetts, New Hampshire, Rhode Island and Vermont; Middle Atlantic: New Jersey, New York, and Pennsylvania; South Atlantic: Delaware, the District of Columbia, Florida, Georgia, Maryland, North Carolina, South Carolina, Virginia, and West Virginia; East South Central: Alabama, Kentucky, Mississippi, and Tennessee; West South Central: Arkansas, Louisiana, Oklahoma, and Texas; East North Central: Illinois, Indiana, Michigan, Ohio, and Wisconsin; West North Central: Iowa, Kansas, Minnesota, Missouri, Nebraska, North Dakota, and South Dakota; Mountain: Arizona, Colorado, Idaho, Montana, Nevada, New Mexico, Utah, and Wyoming; and Pacific: Alaska, California, Hawaii, Oregon, and Washington.

NOTE: A dash indicates no workers in the category or data did not meet publication criteria.

	Open plans	Frozen plans
Nonunion	76	24
Average wage within the following percentiles (1)		
Less than 10	46	54
10 to under 25	66	34
25 to under 50	78	22
50 to under 75	84	16
75 to under 90	83	17
90 or greater	80	20
Establishment characteristics		
Goods-producing industries	81	19
Construction	100	
Manufacturing	75	25
Service-providing industries	80	20
Trade, transportation, and utilities	71	29
Wholesale trade	79	21
Retail trade	55	45
Transportation and warehousing	82	18
Information	81	19
Financial activities	88	12
Finance and insurance	87	13
Credit intermediation and related activities	90	10
Insurance carriers and related activities	88	12
Professional and business services	84	16
Education and health services	83	17
Health care and social assistance	83	17
1 to 99 workers	85	15
1 to 49 workers	88	12
50 to 99 workers	81	19
100 workers or more	79	21
100 to 499 workers	75	25
500 workers or more	81	19
Geographic areas (2)		
Metropolitan areas	80	20
Nonmetropolitan areas	84	16

Footnotes:

(1) The percentile groupings are based on the average wage for each occupation surveyed, which may include workers both above and below the threshold. The percentile values are based on the estimates published in "National Compensation Survey: Occupational Earnings in the United States, 2007."

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	Open plans	Frozen plans
New England	78	22
Middle Atlantic	84	16
East North Central	75	25
West North Central	83	17
South Atlantic	78	22
East South Central	66	34
West South Central	82	18
Pacific	88	12

Footnotes:

(1) The percentile groupings are based on the average wage for each occupation surveyed, which may include workers both above and below the threshold. The percentile values are based on the estimates published in "National Compensation Survey: Occupational Earnings in the United States, 2007."

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Table 2: Retirement benefits: Access, participation, and take-up rates, private industry workers, National Compensation Survey, March 2008

	All Retirement Benefits			Defined Benefits		
	Access	Participation	Take-up rate	Access	Participation	Take-up rate
All workers	61	51	83	21	20	96
Worker characteristics						
Management, professional, and related	76	68	90	29	28	97
Management, business, and financial	82	77	94	35	34	97
Professional and related	73	64	88	26	26	96
Service	37	25	68	9	8	95
Sales and office	65	55	84	20	19	94
Sales and related	60	46	77	15	13	89
Office and administrative support	68	60	88	23	22	96

Footnotes:

(1) The percentile groupings are based on the average wage for each occupation surveyed, which may include workers both above and below the threshold. The percentile values are based on the estimates published in "National Compensation Survey: Occupational Earnings in the United States, 2007."

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	All Retirement Benefits			Defined Benefits		
	Access	Participation	Take-up rate	Access	Participation	Take-up rate
Natural resources, construction, and maintenance	62	52	84	26	25	98
Construction, extraction, farming, fishing, and forestry	58	47	82	24	24	100
Installation, maintenance, and repair	67	58	86	28	26	95
Production, transportation, and material moving	65	54	82	26	25	96
Production	68	57	84	27	27	98
Transportation and material moving	63	51	81	25	24	94
Full time	71	60	85	25	24	96
Part time	32	23	73	11	10	90
Union	85	80	95	69	67	97
Nonunion	59	48	81	16	15	95
Average wage within the following percentiles (1)						
Less than 10	25	14	57	4	4	87
10 to under 25	41	28	68	9	8	89
25 to under 50	63	50	80	16	15	95
50 to under 75	70	61	87	25	24	97
75 to under 90	79	73	91	40	38	97
90 or greater	84	78	92	39	38	96
Establishment characteristics						
Goods-producing industries	71	62	86	30	29	98
Construction	55	45	83	18	18	100
Manufacturing	78	69	87	34	33	98
Service-providing industries	59	49	82	19	18	95
Trade, transportation, and utilities	67	54	81	22	20	91
Wholesale trade	76	66	87	16	16	98
Retail trade	61	46	75	17	15	88
Transportation and warehousing	73	63	86	41	36	88
Utilities	94	93	99	85	84	98
Information	78	73	94	49	48	98
Financial activities	79	73	92	42	40	97
Finance and insurance	88	82	94	50	48	97

Footnotes:

(1) The percentile groupings are based on the average wage for each occupation surveyed, which may include workers both above and below the threshold. The percentile values are based on the estimates published in "National Compensation Survey: Occupational Earnings in the United States, 2007."

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	All Retirement Benefits			Defined Benefits		
	Access	Participation	Take-up rate	Access	Participation	Take-up rate
Credit intermediation and related activities	92	87	94	56	55	98
Insurance carriers and related activities	83	77	93	45	44	96
Real estate and rental and leasing	47	39	84	11	11	98
Professional and business services	54	46	85	13	13	98
Professional and technical services	71	63	89	9	9	100
Administrative and waste services	33	24	74	10	10	99
Education and health services	64	54	84	21	20	96
Educational services	64	58	91	16	14	92
Junior colleges, colleges, and universities	85	77	91	18	16	89
Health care and social assistance	64	53	83	22	21	97
Leisure and hospitality	30	18	59	3	2	96
Accommodation and food services	29	17	57	3	3	96
Other services	40	31	79	8	8	93
1 to 99 workers	45	37	81	9	9	96
1 to 49 workers	41	34	82	8	7	96
50 to 99 workers	58	45	79	14	13	95
100 workers or more	79	67	85	35	33	96
100 to 499 workers	73	60	83	24	23	95
500 workers or more	87	76	87	47	45	96
Geographic areas (2)						
Metropolitan areas	62	53	84	23	22	96
Nonmetropolitan areas	57	44	77	14	14	96
New England	56	49	87	20	19	95
Middle Atlantic	62	55	90	27	26	97
East North Central	64	56	87	26	25	96
West North Central	64	56	87	23	22	95
South Atlantic	63	50	79	18	17	95
East South Central	65	45	69			
West South Central	56	45	80	17	17	96
Mountain	63	51	80	18	17	94
Pacific	58	49	83	22	21	96

Footnotes:

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Table 3: Defined benefit frozen retirement plans: Percent of participants covered by a freeze, private industry workers, National Compensation Survey, March 2008

	Retirement benefit accrual		
	All Participants	Some Participants	No Participants
All workers	76	3	21
Worker characteristics			
Management, professional, and related	66	-	-
Management, business, and financial	67	3	30
Professional and related	66	-	-
Service	79	-	-
Sales and office	86	3	11
Sales and related	91	1	7
Office and administrative support	82	-	-
Natural resources, construction, and maintenance	66	-	-
Construction, extraction, farming, fishing, and forestry	97	-	-
Installation, maintenance, and repair	56	-	-
Production, transportation, and material moving	74	-	-
Production	71	-	-
Transportation and material moving	77	-	-
Full time	73	3	23
Part time	91	-	-
Union	78	4	18
Nonunion	75	3	22
Average wage within the following percentiles (1)			
Less than 10	85	-	-
10 to under 25	93	-	-
25 to under 50	81	3	16
50 to under 75	71	-	-
75 to under 90	75	3	23
90 or greater	65	4	32
Establishment characteristics			
Goods-producing industries	71	5	23
Manufacturing	71	5	23
Service-providing industries	77	2	21

Footnotes:

(1) The percentile groupings are based on the average wage for each occupation surveyed, which may include workers both above and below the threshold. The percentile values are based on the estimates published in "National Compensation Survey: Occupational Earnings in the United States, 2007."

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(3) Less than 0.5 percent.

NOTE: A dash indicates no workers in the category or data did not meet publication criteria.

	Retirement benefit accrual		
	All Participants	Some Participants	No Participants
Trade, transportation, and utilities	90	-	-
Wholesale trade	80	-	-
Retail trade	96	-	4
Transportation and warehousing	71	-	-
Utilities	86	-	-
Information	58	-	-
Financial activities	57	8	35
Finance and insurance	58	8	34
Credit intermediation and related activities	63	-	-
Insurance carriers and related activities	72	-	-
Professional and business services	54	-	-
Administrative and waste services	-	-	87
Education and health services	86	-	-
Educational services	91	-	-
Junior colleges, colleges, and universities	91	-	-
Health care and social assistance	86	-	-
1 to 99 workers	74	-	-
1 to 49 workers	74	-	-
50 to 99 workers	74	-	-
100 workers or more	76	3	21
100 to 499 workers	82	1	17
500 workers or more	71	4	25
Geographic areas (2)			
Metropolitan areas	76	3	21
Nonmetropolitan areas	71	-	-
New England	51	2	47
Middle Atlantic	72	(3)	28
East North Central	76	-	-
West North Central	67	-	-
South Atlantic	79	-	-
East South Central	76	-	-
West South Central	87	-	-

Footnotes:

(1) The percentile groupings are based on the average wage for each occupation surveyed, which may include workers both above and below the threshold. The percentile values are based on the estimates published in "National Compensation Survey: Occupational Earnings in the United States, 2007."

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(3) Less than 0.5 percent.

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	Retirement benefit accrual		
	All Participants	Some Participants	No Participants
Mountain	94	2	3
Pacific	74	-	-

Footnotes:

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(3) Less than 0.5 percent.

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Table 4: Alternative defined benefit retirement plan: Percent with alternative plan by worker and establishment characteristics, private industry workers, National Compensation Survey, March 2008

	No plan options available	Plan options available	Enrollment options for employees in frozen plans			
			New defined benefit plan	Enhanced existing defined contribution plan	New defined contribution plan	Other
All workers	4	96	11	31	54	2
Worker characteristics						
Management, professional, and related	4	96	12	38	47	1
Management, business, and financial	3	97	11	42	42	3
Professional and related	-	96	12	35	50	-
Service	-	100	-	37	55	2
Sales and office	4	96	6	33	59	2
Sales and related	3	97	-	43	51	-
Office and administrative support	5	95	9	24	64	2

Footnotes:

(1) The percentile groupings are based on the average wage for each occupation surveyed, which may include workers both above and below the threshold. The percentile values are based on the estimates published in "National Compensation Survey: Occupational Earnings in the United States, 2007."

(2) The States that comprise the census divisions are: New England: Connecticut, Maine, Massachusetts, New Hampshire, Rhode Island and Vermont; Middle Atlantic: New Jersey, New York, and Pennsylvania; South Atlantic: Delaware, the District of Columbia, Florida, Georgia, Maryland, North Carolina, South Carolina, Virginia, and West Virginia; East South Central: Alabama, Kentucky, Mississippi, and Tennessee; West South Central: Arkansas, Louisiana, Oklahoma, and Texas; East North Central: Illinois, Indiana, Michigan, Ohio, and Wisconsin; West North Central: Iowa, Kansas, Minnesota, Missouri, Nebraska, North Dakota, and South Dakota; Mountain: Arizona, Colorado, Idaho, Montana, Nevada, New Mexico, Utah, and Wyoming; and Pacific: Alaska, California, Hawaii, Oregon, and Washington.

NOTE: A dash indicates no workers in the category or data did not meet publication criteria.

	No plan options available	Plan options available	Enrollment options for employees in frozen plans			
			New defined benefit plan	Enhanced existing defined contribution plan	New defined contribution plan	Other
Natural resources, construction, and maintenance	-	98	22	29	45	-
Construction, extraction, farming, fishing, and forestry	-	100	40	-	54	-
Installation, maintenance, and repair	-	97	16	36	43	-
Production, transportation, and material moving	-	95	19	18	57	2
Production	-	93	22	16	56	-
Transportation and material moving	-	98	-	-	60	-
Full time	4	96	13	31	51	2
Part time	-	99	1	28	70	-
Union	-	98	28	12	57	3
Nonunion	4	96	7	36	53	1
Average wage within the following percentiles (1)						
Less than 10	-	100	-	-	58	-
10 to under 25	-	100	-	41	57	-
25 to under 50	6	94	4	27	64	2
50 to under 75	6	94	7	29	59	1
75 to under 90	3	97	28	25	43	3
90 or greater	2	98	12	37	47	4
Establishment characteristics						
Goods-producing industries	5	95	19	16	57	3
Manufacturing	5	95	19	16	57	3
Service-providing industries	3	97	9	36	53	1
Trade, transportation, and utilities	-	100	9	34	55	3
Wholesale trade	-	100	46	-	40	-
Retail trade	-	100	-	47	52	-

Footnotes:

(1) The percentile groupings are based on the average wage for each occupation surveyed, which may include workers both above and below the threshold. The percentile values are based on the estimates published in "National Compensation Survey: Occupational Earnings in the United States, 2007."

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NOTE: A dash indicates no workers in the category or data did not meet publication criteria.

	No plan options available	Plan options available	Enrollment options for employees in frozen plans			
			New defined benefit plan	Enhanced existing defined contribution plan	New defined contribution plan	Other
Transportation and warehousing	-	100	-	-	79	15
Utilities	-	100	63	-	-	-
Information	-	96	14	49	42	2
Financial activities	15	85	10	44	31	-
Finance and insurance	16	84	10	42	32	-
Credit intermediation and related activities	-	92	17	42	34	-
Insurance carriers and related activities	27	73	6	-	46	-
Professional and business services	-	100	-	67	-	-
Professional and technical services	-	100	-	-	-	-
Administrative and waste services	-	100	-	89	-	-
Education and health services	-	95	-	-	82	-
Educational services	-	99	-	-	90	-
Junior colleges, colleges, and universities	-	99	-	-	90	-
Health care and social assistance	-	95	-	-	82	-
Leisure and hospitality	-	100	-	-	-	-
Accommodation and food services	-	100	-	-	-	-
Other services	-	100	-	100	-	-
1 to 99 workers	-	100	2	38	59	-
1 to 49 workers	-	99	4	33	63	-
50 to 99 workers	-	100	-	44	55	-
100 workers or more	4	96	13	29	53	2
100 to 499 workers	4	96	6	31	58	2
500 workers or more	5	95	19	28	48	2

Footnotes:

(1) The percentile groupings are based on the average wage for each occupation surveyed, which may include workers both above and below the threshold. The percentile values are based on the estimates published in "National Compensation Survey: Occupational Earnings in the United States, 2007."

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	No plan options available	Plan options available	Enrollment options for employees in frozen plans			
			New defined benefit plan	Enhanced existing defined contribution plan	New defined contribution plan	Other
Geographic areas (2)						
Metropolitan areas	3	97	12	31	53	2
Nonmetropolitan areas	-	90	-	-	61	-
New England	-	86	-	-	42	-
Middle Atlantic	-	92	10	43	-	4
East North Central	-	100	21	23	57	-
West North Central	-	98	-	38	50	4
South Atlantic	8	92	7	17	68	3
East South Central	-	100	2	-	52	-
West South Central	-	98	12	39	51	-
Mountain	-	100	-	-	85	-
Pacific	1	99	-	45	40	-

Footnotes:

(1) The percentile groupings are based on the average wage for each occupation surveyed, which may include workers both above and below the threshold. The percentile values are based on the estimates published in "National Compensation Survey: Occupational Earnings in the United States, 2007."

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Data for Chart 1: Defined benefit retirement plan: Percent of participants in plans that have frozen benefits, private industry workers, National Compensation Survey, March 2008

Characteristic	Percent
All workers	20
Full-time workers	19
Part-time workers	25
Union workers	13
Nonunion workers	24
1-99 workers	15
100 workers or more	21

Data for chart 2: Defined benefit frozen retirement plans: Percent of participants accruing benefits, private industry workers, National Compensation Survey, March 2008

Characteristics	Percent
All participants still accruing	76
Some participants accruing	3
No participants accruing	21

Data for chart 3: Alternative defined benefit retirement plan: Percent of workers with new defined benefit plan, by worker and establishment characteristics, private industry workers, National Compensation Survey, March 2008

Characteristic	Percent with plan alternative	Percent with new defined benefit plan alternative
All workers	96	11
Full-time	96	13
Part-time	99	1
Union	98	28
Nonunion	96	7
Goods-producing	95	19
Service-providing	97	9
1-99 workers	100	2
100 workers or more	96	13

Data for chart 4: Alternative defined benefit retirement plan: Percent with enhanced existing defined contribution plan by worker and establishment characteristics, private industry workers, National Compensation Survey, March 2008

Characteristic	Percent with plan alternative	Percent with enhanced existing defined contribution plan alternative
All workers	96	31
Full-time	96	31
Part-time	99	28
Union	98	12
Nonunion	96	36
Goods-producing	95	16
Service-providing	97	36
1-99 workers	100	38
100 workers or more	96	29

Data for chart 5: Alternative defined benefit retirement plan: Percent of workers with new defined contribution plan, by worker and establishment characteristic, private industry workers, National Compensation Survey, March 2009

Characteristic	Percent with plan alternative	Percent with enhanced existing defined contribution plan alternative
All workers	96	54
Full-time	96	51
Part-time	99	70
Union	98	57
Nonunion	96	53
Goods-producing	95	57

Characteristic	Percent with plan alternative	Percent with enhanced existing defined contribution plan alternative
Service-providing	97	53
1-99 workers	100	59
100 workers or more	96	53

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