

Table 13. Traditional defined benefit plans: Terminal earnings formulas, private industry workers, 2019

(All workers participating in traditional defined benefit plans with a terminal earnings formula = 100 percent)

Characteristics	Flat percent per year of service	Flat percent per year of service ¹				
		10th percentile	25th percentile	50th percentile (median)	75th percentile	90th percentile
Worker characteristics						
All workers	48	1.00	1.10	1.40	1.85	2.00
Management, professional, and related	42	1.00	1.00	1.10	–	1.85
Management, business, and financial	27	1.10	1.10	1.10	1.25	1.70
Professional and related	52	1.00	1.00	1.10	1.75	1.85
Sales and office	39	1.00	1.00	1.25	–	1.85
Office and administrative support	46	1.00	1.00	1.25	–	1.85
Full time	47	1.00	1.10	1.40	1.85	2.00
Nonunion	38	1.00	1.00	1.10	–	2.00
Average wage within the following categories ² :						
Third 25 percent	51	1.00	1.00	1.50	1.85	1.85
Highest 25 percent	41	1.00	1.10	1.20	–	1.85
Highest 10 percent	–	–	–	–	–	–
Establishment characteristics						
Goods-producing industries	–	–	–	–	–	–
Manufacturing	–	–	–	–	–	–
Service-providing industries	59	1.00	1.10	1.40	1.85	2.00
Trade, transportation, and utilities	60	1.00	1.40	–	2.00	2.00
Financial activities	–	–	–	–	–	–
Finance and insurance	–	–	–	–	–	–
Insurance carriers and related activities	–	–	–	–	–	–
Educational services	51	–	1.10	–	–	2.00
1 to 99 workers	–	–	–	–	–	–
100 workers or more	52	1.00	1.00	1.25	1.85	2.00
100 to 499 workers	42	1.00	1.10	–	2.00	2.00
500 workers or more	56	1.00	1.00	1.25	–	1.85
Geographic areas						
South	–	–	–	–	–	–
South Atlantic	–	–	–	–	–	–

See footnotes at end of table.

Table 13. Traditional defined benefit plans: Terminal earnings formulas, private industry workers, 2019—continued

(All workers participating in traditional defined benefit plans with a terminal earnings formula = 100 percent)

Characteristics	Percent per year varies	Percent per year varies by			
		Service	Earnings	Earnings and service	Other
Worker characteristics					
All workers	52	12	24	—	—
Management, professional, and related	58	15	27	—	—
Management, business, and financial	73	—	42	—	—
Professional and related	48	—	—	—	—
Sales and office	61	—	22	—	—
Office and administrative support	54	—	—	—	—
Full time	53	13	24	—	—
Nonunion	62	13	28	—	—
Average wage within the following categories ² :					
Third 25 percent	49	—	—	—	—
Highest 25 percent	59	16	26	—	—
Highest 10 percent	—	15	29	—	—
Establishment characteristics					
Goods-producing industries	100	—	50	—	—
Manufacturing	100	—	50	—	—
Service-providing industries	41	9	18	—	—
Trade, transportation, and utilities	40	—	—	—	—
Financial activities	—	—	63	—	—
Finance and insurance	—	—	63	—	—
Insurance carriers and related activities	—	—	63	—	—
Educational services	49	—	—	—	—
1 to 99 workers	—	—	50	—	—
100 workers or more	48	13	20	—	—
100 to 499 workers	58	—	—	—	—
500 workers or more	44	12	18	—	—
Geographic areas					
South	—	26	29	13	—
South Atlantic	—	—	44	—	—

¹ Estimates represent the flat percentage used to calculate benefits for those workers participating in plans with a terminal earnings formula based on a flat percentage per year of service.

² Surveyed occupations are classified into wage categories based on the average wage for the occupation, which may include workers with earnings both above and below the threshold. The categories were formed using percentile estimates generated using data from the National Compensation Survey publication, "Employer Costs for Employee Compensation - March 2019."

Note: Because of rounding, sums of individual items may not equal totals. Dashes indicate that no data were reported or that data do not meet publication criteria. For definitions of major plans, key provisions, and related terms, see the "Glossary of Retirement Benefit Terms" at www.bls.gov/ncs/ebs/detailedprovisions/2019/ownership/private/glossary-retirement.htm.

Source: U.S. Bureau of Labor Statistics, National Compensation Survey.