

Vermont Department of Labor
2013 Fringe Benefit Study



Economic and Labor Market Information
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Introduction

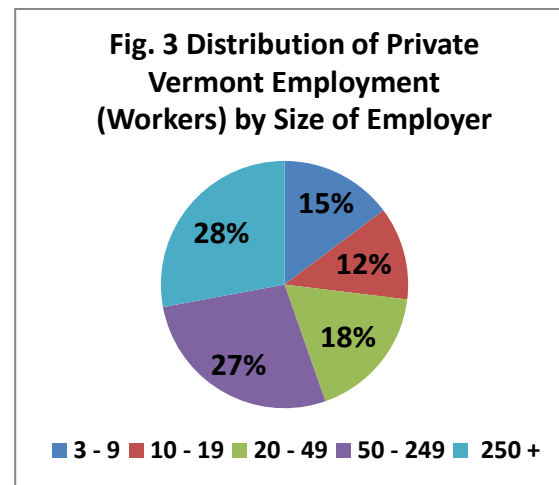
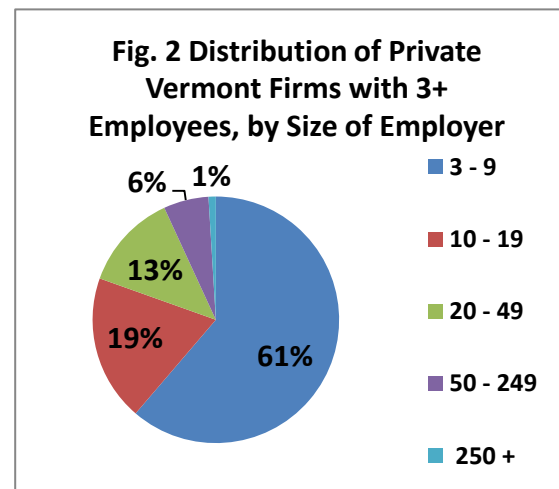
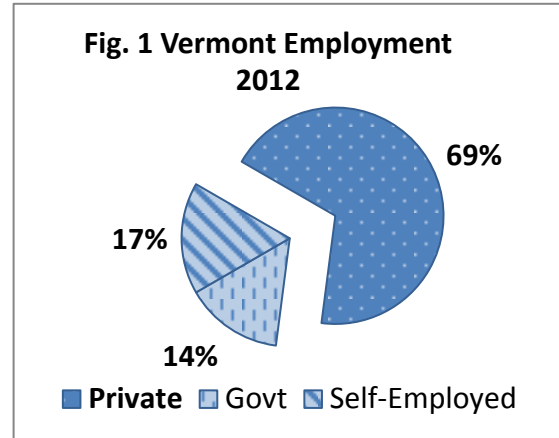
The Vermont Department of Labor collects data from private employers in Vermont periodically to determine the typical package of benefits that is currently offered to workers. Employers can compare their own benefits packages to the results of this study to assess the competitiveness of what they offer relative to other businesses of similar size. Prospective employees can determine what the typical benefits might be for a given size firm.

In 2013, Vermont private non-agricultural employers were asked whether they offered medical, disability or life insurance, a pension plan, paid vacation, and other specific benefits to workers. They were also asked about the number of workers offered, and enrolled in medical plans. In addition, employers were asked about the costs of these benefits. Only private employers with at least three employees covered by Unemployment Insurance were sampled. Self-employed workers and government employers were not included (see Figure 1 at right).

The results present a point-in-time snapshot of benefits currently offered by responding private employers in Vermont. They do not address overall levels of benefit coverage in the state, nor are they directly comparable to surveys conducted in the past. However, the sample of firms attempts to be representative of the various types of businesses found in the state.

The majority of businesses in Vermont are small. More than three quarters of private employers have fewer than ten employees (Size Class 1 or smaller). Only about half a percent have more than 250 workers in the state (Size Class 5). Figure 2 indicates the proportion of firms in each of the size classes in the study (i.e. private employers with at least three employees covered by Unemployment Insurance). The number of workers in firms of each size class is much more evenly divided, as shown in Figure 3.

Results presented on subsequent pages are based on information provided by respondents in each size class. Some numbers may not add exactly due to rounding, or when multiple responses are possible.



Highlights

- Responding firms reported more than half of their workers were enrolled in health insurance plans through their offered coverage.
- Small firms were more likely than other size classes to cover 100% of medical premiums. (Larger firms may choose to self-insure.)
- High Deductible Health Plans (HDHPs) were the most popular type of health plan.
- Smaller size classes had a lower rate of change to their employee's share of premiums than larger size classes.
- About half of responding employers offered paid leave.
 - Approximately half of employers who offered paid leave offered it as separate vacation and sick and/or personal days. Slightly less than half of offering firms provided consolidated leave.
- The median number of total paid leave days was relatively consistent across size classes.
- The percentage of firms offering paid holidays ranged from seventy-one percent to ninety-two percent, depending on the size of the firm.
- Among full-time workers at organizations that responded to the study, 41 to 73 percent, depending on size class, had paid sick leave, or personal or consolidated leave, available to them to use for sick time.
- Larger size classes tended to offer fringe benefits at a higher rate than smaller firms.

Table 1
Private Employers

% of Firm Size Class, by employment Responses
3 - 9 10 - 19 20 - 49 50 - 249 250 + 1,079

Summary of Benefits

<u>Health insurance</u>	41%	58%	78%	89%	99%	714
of those offering, have a waiting period to enroll	66%	76%	85%	92%	88%	572
median number of days to wait	90	67	90	60	60	572
Prescription drug coverage	23%	41%	58%	78%	92%	540
Dental insurance	13%	21%	44%	74%	93%	417
Vision insurance	8%	15%	28%	41%	66%	261
Life insurance	11%	23%	44%	75%	92%	417
Short-term disability insurance	11%	16%	38%	64%	82%	356
Long-term disability insurance	8%	20%	36%	60%	78%	341
Retirement plan	30%	43%	57%	75%	80%	1,056
<u>Paid Leave</u>	44%	52%	62%	80%	86%	1,054

of those offering paid leave, type offered	% of firms in size class offering paid leave					Responses
Consolidated leave (vacation, sick, personal combined)	41%	39%	41%	46%	52%	626
Separate types	59%	61%	59%	54%	48%	626
<i>types offered:</i>						
Vacation	58%	57%	56%	53%	48%	626
Sick leave	33%	37%	37%	35%	28%	626
Personal leave	19%	16%	22%	24%	23%	626

% of Firm Size Class, by employment Responses

<u>Educational Benefits</u>	% of Firm Size Class, by employment					Responses
Tuition Reimbursement	19%	19%	21%	38%	54%	1,024
Tuition Advance	7%	5%	6%	10%	8%	992
Paid Time Off to Attend Class	19%	18%	15%	23%	22%	1,010

Other Benefits

Child Care	3%	4%	3%	6%	21%	1,031
Elder Care	0%	0%	0%	2%	3%	1,029
Non-production Bonuses	20%	21%	21%	30%	36%	1,025
Flexible Spending Account	5%	8%	15%	43%	59%	1,034
Telecommuting	6%	10%	11%	21%	18%	1,026
Transportation Subsidy	5%	3%	4%	9%	12%	1,030
Health Club Subsidy	4%	2%	4%	20%	29%	1,026
EAP (Employee Assistance Program)	1%	4%	11%	40%	60%	1,025

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Table 2
Private Employers

	% of Firm Size Class, by employment Responses					
	3 - 9	10 - 19	20 - 49	50 - 249	250 +	1,079
Insurance Benefits Offered						
<u>Health Insurance</u>						
Percent of firms that offer to full-time workers	41%	58%	78%	89%	99%	714
Also offer to part-time workers, as % of those who offer	13%	13%	13%	19%	30%	695
Percent that have a waiting period	66%	76%	85%	92%	88%	572
Median length of waiting period in days	90	67	90	60	60	572
Number of Full-Time Workers						
Offered health ins. as % of total F-T workers in firm	92%	95%	96%	96%	95%	715
Enrolled F-T workers as % of those offered insurance	70%	57%	58%	63%	70%	711
<u>Prescription Drug Coverage</u>						
Percent of firms that offer to full-time workers	23%	41%	58%	78%	92%	540
Number of Full-Time Workers						
Offered coverage as % of total F-T workers in firm	92%	98%	98%	95%	95%	540
Enrolled F-T workers as % of those offered insurance	74%	59%	59%	65%	72%	522
<u>Dental Insurance</u>						
Percent of firms that offer to full-time workers	13%	21%	44%	74%	93%	417
Number of Full-Time Workers						
Offered dental ins. as % of total F-T workers in firm	92%	98%	98%	95%	95%	417
Enrolled F-T workers as % of those offered insurance	69%	53%	54%	65%	70%	408
<u>Vision Insurance</u>						
Percent of firms that offer to full-time workers	8%	15%	28%	41%	66%	261
Number of Full-Time Workers						
Offered vision ins. as % of total F-T workers in firm	94%	98%	98%	98%	98%	261
Enrolled F-T workers as % of those offered insurance	73%	59%	57%	63%	67%	244
<u>Life Insurance</u>						
Percent of firms that offer to full-time workers	11%	23%	44%	75%	92%	417
Number of Full-Time Workers						
Offered life ins. as % of total F-T workers in firm	88%	96%	95%	96%	95%	417
Enrolled F-T workers as % of those offered insurance	83%	87%	85%	85%	84%	407

Table 2 -continued

Private Employers

	% of Firm Size Class, by employment Responses					
	3 - 9	10 - 19	20 - 49	50 - 249	250 +	1079
Insurance Benefits Offered						
<u>Short-term Disability Insurance</u>						
Percent of firms that offer to full-time workers	11%	16%	38%	64%	82%	356
Number of Full-Time Workers						
Offered short-term ins. as % of total F-T workers in firm	86%	97%	94%	96%	95%	356
Enrolled F-T workers as % of those offered ins.	87%	71%	79%	76%	82%	344
<u>Long-term Disability Insurance</u>						
Percent of firms that offer to full-time workers	8%	20%	36%	60%	78%	341
Number of Full-Time Workers						
Offered long-term ins. as % of total F-T workers in firm	80%	94%	91%	93%	90%	341
Enrolled F-T workers as % of those offered ins.	91%	79%	76%	82%	79%	333
Changes to plans over the last five years						688
Changed medical coverage						684
Add	10%	7%	8%	8%	13%	
Drop	10%	4%	4%	3%	3%	
No Change	80%	90%	88%	89%	84%	
Changed deductibles, co-payments, or co-insurance rates						674
Increase	39%	41%	47%	54%	68%	
Decrease	7%	4%	4%	5%	0%	
No Change	54%	55%	49%	40%	32%	
Changed employee's share of premiums						674
Increase	16%	18%	28%	40%	48%	
Decrease	3%	4%	3%	6%	6%	
No Change	81%	78%	69%	54%	46%	

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Table 3
Private Employers

% of Firm Size Class, by employment Responses
3 - 9 10 - 19 20 - 49 50 - 249 250 +

Health Plans and Payments

<u>Types of insurance plans offered ^</u>						693
Indemnity	9%	10%	12%	10%	8%	497
HMO or Managed Care	20%	18%	16%	19%	22%	522
PPO (Preferred Provider Plan)	26%	31%	33%	42%	56%	547
POS (Point of Service Plan)	1%	2%	1%	3%	7%	469
Cafeteria Benefits Plan	4%	15%	17%	27%	26%	502
HDHP (High Deductible Health Plan)	44%	49%	55%	51%	43%	572
HSA (Health Savings Account)	36%	44%	42%	32%	35%	561
--percent of those offering HSA where employer contributes	74%	66%	74%	87%	75%	260
--if employer contributes, median dollar amount per year	\$2,500	\$1,625	\$1,250	\$1,250	\$1,000	195

<u>Deductible per person for those with a deductible</u>	<u>Range</u>		<u>Median</u>	
Indemnity	up to	\$5,000	\$2,000	48
HMO or Managed Care	up to	\$5,000	\$2,000	82
PPO (Preferred Provider Plan)	up to	\$5,950	\$2,000	215
POS (Point of Service Plan)	up to	\$5,950	n/a	7
Cafeteria Benefits Plan	up to	\$5,000	\$2,500	25
HDHP (High Deductible Health Plan)	up to	\$7,000	\$2,500	332

^ Totals for size classes do not add to 100% as multiple responses are possible

n/a - insufficient number of responses to report

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Table 5
Private Employers

	% of Firm Size Class, by employment					Responses	
	3 - 9	10 - 19	20 - 49	50 - 249	250 +		
Retirement Benefits							
Percent of Firms that Offer a Retirement Plan	30%	43%	57%	75%	80%	1,056	
Pct of Full-Time Workers Offered, Avg.	97%	93%	92%	93%	94%	528	
Workers Enrolled as Percent of Workers Offered	77%	76%	66%	71%	79%	517	
Holidays							
Percent of Firms that Offer Paid Holidays	71%	75%	80%	89%	92%	1,035	
Median Number of Holidays Paid	6	6	7	7	8		
Paid Leave							
Paid Leave <i>-percent of all firms</i>	44%	52%	62%	80%	86%	1,054	
Leave Offered to Part-Time Workers as well	28%	33%	37%	38%	55%	621	
<u>Consolidated</u> <i>-percent of offering firms</i>	41%	39%	41%	46%	52%	626	
	median number of days						
After 1 Year	12	10	10	15	17	251	
After 5 Years	15	20	20	20	23	231	
<u>Separate types</u> <i>-percent of offering firms</i>	59%	61%	59%	54%	48%	626	
	median number of days						
After 1 Year	Paid Vacation	7	5	5	10	6	350
	Paid Sick Leave	5	5	5	6	5	333
	<u>Personal Leave</u>	<u>3</u>	<u>4</u>	<u>3</u>	<u>3</u>	<u>4</u>	289
	Total Days	15	12	13	19	15	
After 5 Years	Paid Vacation	14	13	15	15	15	333
	Paid Sick Leave	5	5	5	6	5	298
	<u>Personal Leave</u>	<u>3</u>	<u>3</u>	<u>3</u>	<u>3</u>	<u>3</u>	282
	Total Days	22	21	23	24	23	
<u>Workers Covered</u>							
Pct of All FT Workers Who Earn Paid Sick, Personal or Consolidated Leave	41%	44%	57%	69%	73%		

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Methodology

A major difference between the 2013 Fringe Benefit Study and the 2011 study is that entities with covered employment of 1 or 2 were excluded from consideration. Such small firms are more likely to have only the owners or their family members as employees. The benefits owners offer themselves when they are the only employees are likely to be different from what is offered to hired workers in general. Very small firms do not typically have as many resources as larger firms to offer benefits, such as health insurance.

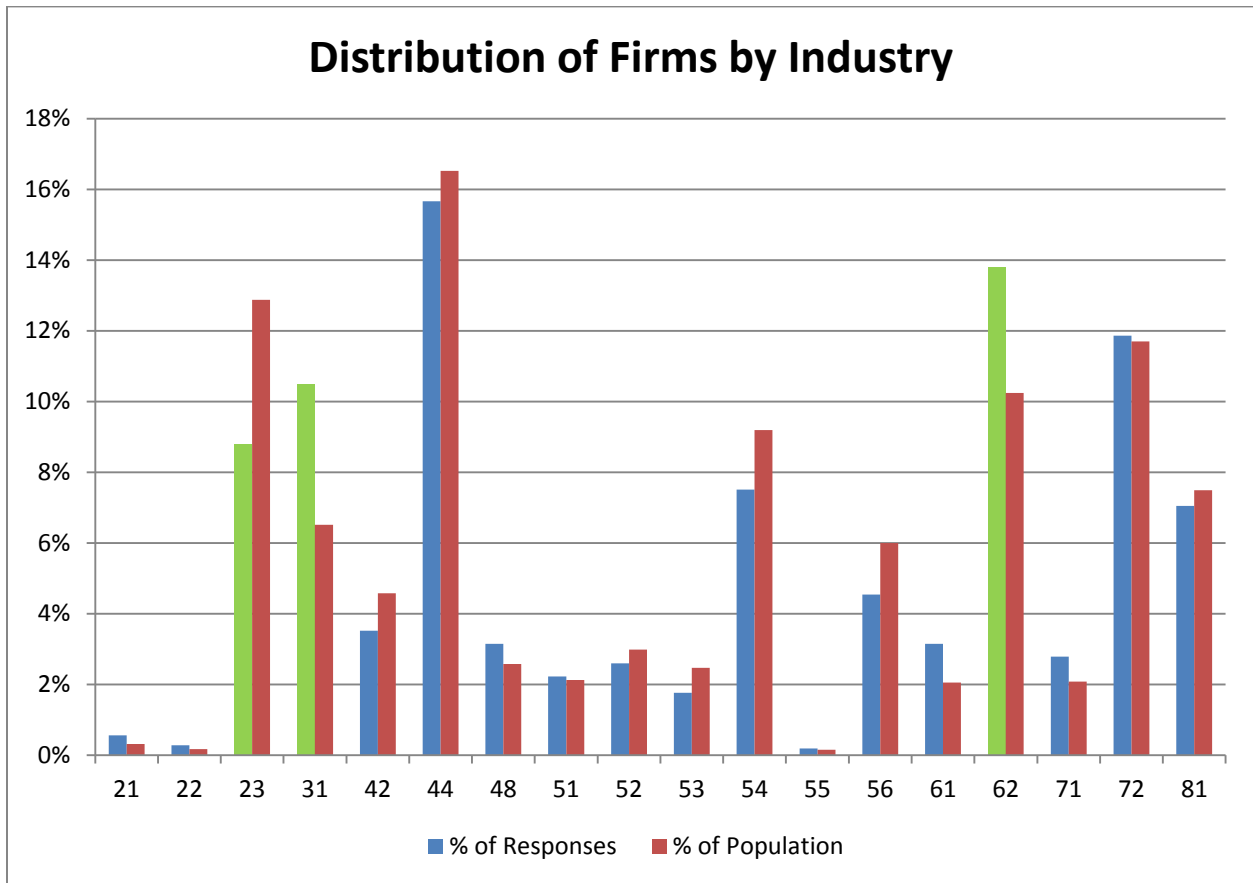
The very small firms (1 to 2 employees) make up over half of the 1-9 size category and in fact, there are more firms covered by unemployment insurance in Vermont with employment under ten than there are firms with 3 employees or more.

A sample was selected of about eighteen percent of Vermont private non-agricultural businesses with three or more employees covered by Unemployment Insurance with the State of Vermont. The sample was stratified by employment size class and area of the state. Businesses with more than one location in the state were asked to provide a combined response for all of their Vermont locations. Employers received a postcard in the mail, notifying them of the study and encouraging them to submit their responses online. A paper copy was then sent, followed by reminder postcards. Participants could respond by mail or online. Emails were also sent to employers for whom the department had a valid email address. Please see the table below for sampling and response rates by size class, as sampled and as reported.

Vermont Private Employers					Sample			Responses		
Size Class as Sampled	Employment Range	% of Firms	% of Total Employment	Employment	Sampling Rate	% of Sample	Response Rate	Reported Size Class % of Total		
1	3 - 9	6,675	61%	33,975	15%	600	9%	30%	49%	29%
2	10 - 19	2,088	19%	28,009	12%	450	22%	22%	58%	22%
3	20 - 49	1,382	13%	40,775	18%	450	33%	22%	59%	23%
4	50 - 249	644	6%	63,188	27%	400	62%	20%	57%	19%
5	250 +	104	1%	64,278	28%	104	100%	5%	27%	7%
Total		10,893	100%	230,225	100%	2,004	18%	100%	54%	100%

Size classes were sampled at different rates to reflect differences in variation among size classes and to optimize the effectiveness of the survey. Private firms with Vermont employment of 250 or more were sampled at 100 percent, a census. Respondents were asked how many employees they had at the time of participation. Responses were then post-stratified by the employment reported. Those that indicated they were part of a larger organization with employment outside the state were placed in the larger size class based on the total employment of the business (See percent of total, as reported, above).

Usable responses were received from 1,079 organizations. Not all respondents completed the entire questionnaire. Responding firms matched the overall distribution of firms across regions of the state. Responders tended to be larger than average for their industries, and were somewhat overrepresented in manufacturing and health care and social assistance industries (more likely to offer insurance), and underrepresented in construction (less likely to offer insurance). See data below.



Green denotes industries where the difference between the responses and the population is notable.

Average of industry responses to “Do you offer insurance?”

<u>Industry</u>	<u>Yes</u>	<u>Industry</u>	<u>Yes</u>
21	83%	53	74%
22	67%	54	93%
23	61% (Construction)	55	50%
31	81% (Manufacturing)	56	41%
42	76%	61	76%
44	66%	62	74% (Health Care and Social Assistance)
48	76%	71	80%
51	83%	72	37%
52	86%	<u>81</u>	<u>63%</u>
		All Firms	68%