



2009 Idaho Fringe Benefit Survey

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Executive Summary

While the current recession has put Idaho employers under significant economic pressure, most types of benefits offered to employees - medical, dental, leave and retirement - have not seen significant changes in the number of employers offering them since 2007.

The exception was medical coverage for full-time workers, which has been sliding steadily since the 2001 recession. A survey published in 2002 found over 80 percent of employers offering health coverage to full-time workers. In 2009 - two years after Idaho's economy began moving from producing jobs faster than just about any other state to losing them at one of the highest rates in the nation - health care coverage was being offered by just over half of the state's employers.

Employee compensation is one of the core components of the employer-employee relationship.¹ It is important to understand compensation packages in order to evaluate a firm's competitive ability to attract and retain quality employees. A large component of employee compensation falls into the category of non-wage compensation otherwise known as fringe benefits. These non-wage benefits include group insurance, retirement plans, daycare, sick leave, profit sharing and other specialized benefits. This report takes a closer look at the types of fringe benefits Idaho employers offer their employees.

The 2009 Fringe Benefits Survey provides statewide estimates for employers providing fringe benefits to employees as well as estimates based on the size and industrial classification of employers. This year's survey was a follow-up to the 2007 Fringe Benefits Survey and was modeled on surveys used by Washington and Oregon, making results comparable between years and states.

Surveys were mailed to approximately 1,500 randomly selected employers throughout Idaho. A response rate of 51 percent was obtained. Fringe benefits examined include health and dental insurance coverage; paid leave including vacation, sick time, undesignated leave and holidays; and retirement plans. General findings are significant at a 95 percent confidence level with a margin of error of plus or minus 3 percentage points. Results with fewer than three respondents were suppressed to protect confidentiality.

¹Gerhart, Barry and George T. Milkovich. Employee Compensation Research and Practice. <http://digitalcommons.ilr.cornell.edu/cgi/viewcontent.cgi?article=1364&context=cahrswp>. 1991.

Key Findings

- ▶ Over half of employers surveyed offer single as well as family medical coverage.
- ▶ More than two of five Idaho employers surveyed offer dental benefits to full-time employees and their families.
- ▶ Approximately one in ten employers surveyed offer medical and dental insurance to part-time employees and their families.
- ▶ Employers who offer single medical coverage usually offer family medical coverage as well.
- ▶ More than half of employees offered medical benefits enroll in single coverage and roughly 40 percent enroll in family coverage.
- ▶ For single medical coverage, employers paid an average of 83 percent of the total monthly premium for full-time employees and 69 percent for part-time employees.
- ▶ Three out of four employers surveyed offer some type of paid leave benefit to their full-time employees while one in three offer some type of paid leave benefit to their part-time employees.
- ▶ Slightly more than half of surveyed employers offer retirement benefits to full-time employees and one out of four offer retirement benefits to part-time workers.
- ▶ Firms with more than 10 employees were significantly more likely to offer medical benefits to full-time employees and their families.
- ▶ Full-time employees across all industries were offered medical and dental benefits more often than their part-time counterparts.
- ▶ Government employers were more likely to offer benefits than private-sector employers.

Table 1: Percent of Employers Offering Benefits		
Benefit	Full-Time	Part-Time
Insurance		
Single Medical	56%	11%
Single Dental	44%	10%
Family Medical	53%	11%
Family Dental	42%	9%
Leave		
Paid Undesignated Leave	29%	10%
Paid Vacation Leave	49%	14%
Paid Sick Leave	67%	19%
Paid Holiday Leave	67%	25%
Retirement		
Defined Contribution	39%	19%
Defined Benefit	4%	2%
Both	7%	2%
None Offered	49%	77%

Statewide Findings

MEDICAL

Fifty-six percent of Idaho employers surveyed offer medical benefits to full-time employees. Only 11 percent of employers offer medical insurance to part-time workers. However, if employers offer medical benefits to an employee, the coverage is usually available to spouses and dependents as well.

ENROLLMENT

Not all employees whose employers offer medical benefits elect to enroll. Figure 2 shows the percentage of total employees offered benefits who enroll in single or family medical plans. Although slightly more part-time employees enroll in medical coverage than their full-time counterparts, the difference is not significant.

EMPLOYER PAID PORTION OF THE PREMIUM

Employees might not enroll in medical plans due to the portion of the total premium cost the employer leaves to be paid by the employees.

On average, employers pay 83 percent of the total premium cost for single medical coverage and 38 percent of the family medical premium for full-time employees.

For part-time employees, employers only pay 69 percent of the single-coverage premium on average and 47 percent of the total family premium, leaving many part-time employees with a higher out-of-pocket cost for single coverage.

²Differences between full-time and part-time family premiums are due to differences in sample frames rather than actual differences.

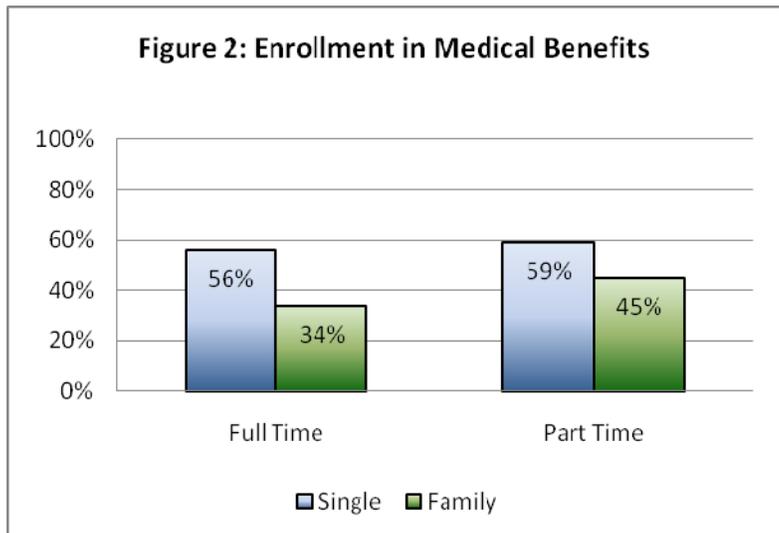
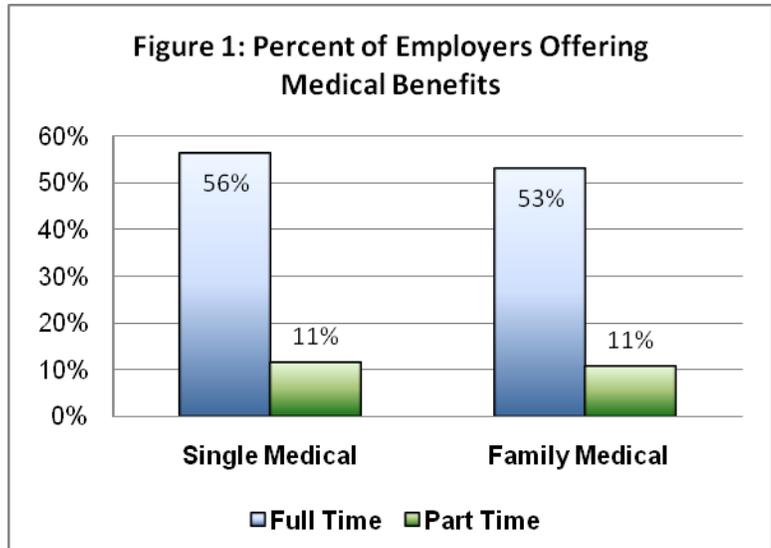


Table 2: Employer Paid Portion of the Premium

Statewide	Full-time	Part-time
Single Coverage	83%	69%
Family Coverage ²	38%	47%

DENTAL BENEFITS

Of the Idaho employers surveyed, 44 percent offered full-time employees dental benefits as Figure 3 illustrates. Only 10 percent of employers offer this benefit to part-time employees.

Availability of family dental coverage was similar to health care coverage. If offered to the employee, it is also usually offered to the spouse and dependents as well. Overall, no significant difference exists between the numbers of employers offering benefits to an individual versus the entire family.

PAID LEAVE

The majority of employers, 76 percent, offer leave benefits – vacation, holiday, sick or undesignated leave – to full-time employees as shown in Figure 4. Employers also may offer more than one type of leave benefit.

Sick and holiday leave are both offered by 67 percent of Idaho employers surveyed. A significant difference exists between the number of employers offering sick or holiday leave and those offering vacation leave to full- and part-time employees. As Figure 4 illustrates, all types of leave are offered to a significantly larger percentage of full-time employees than part-time employees. Overall, 76 percent of employers offer some type of paid leave to full-time employees, with only 33 percent offering paid leave to part-timers.

Figure 3: Percent of Employers Offering Dental Benefits

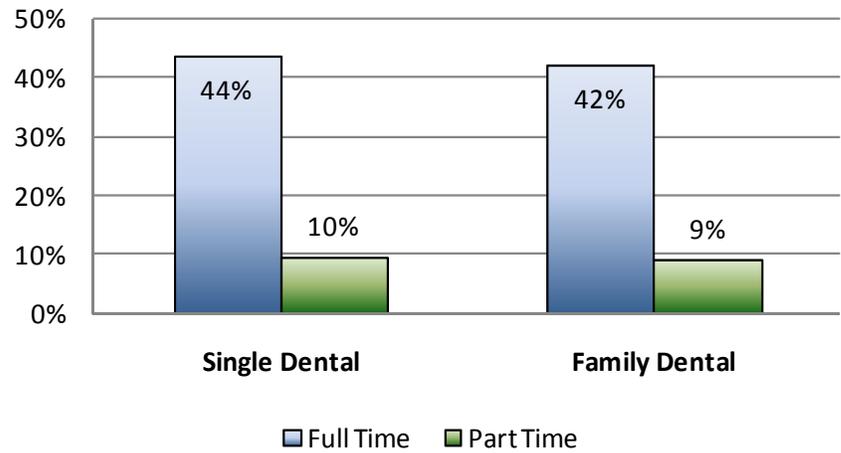
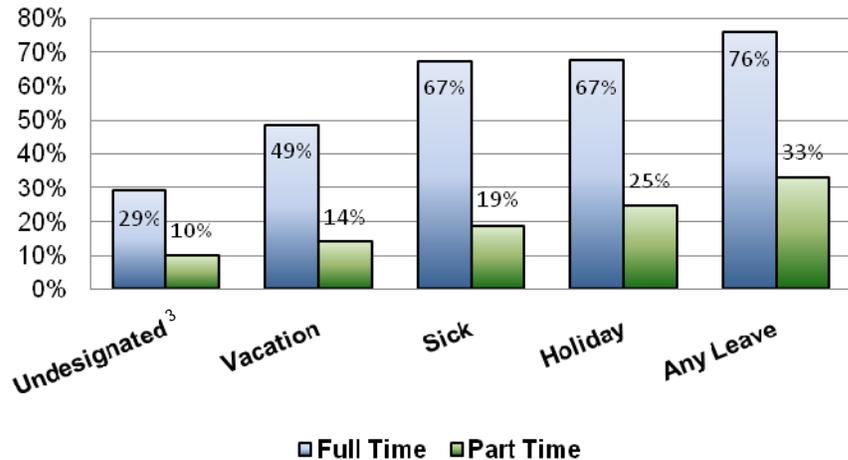


Figure 4: Percent of Employers Offering Leave Benefits



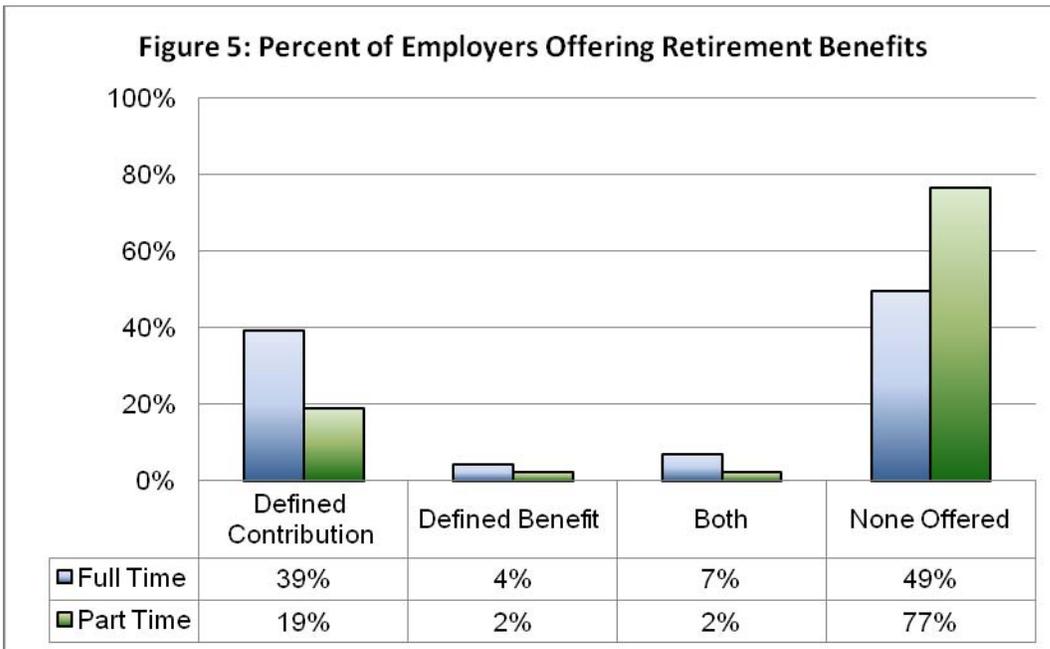
³Undesignated leave refers to leave that may be used for any of the three leave purposes - vacation, sick or holiday.

RETIREMENT

For the purpose of assessing retirement options available to Idahoans, employers were asked to specify whether they offer a defined benefit plan, a defined contribution plan or no plan at all. In a defined contribution plan, such as a 401(k), employees contribute funds and receive the principal and earnings upon retirement. Defined benefit plans, such as a standard pension, guarantee a set dollar amount and regular payments to the employee throughout the length of retirement and are common with unions and government agencies. Employers who indicated they offer both defined contribution plans and defined benefit plans were re-coded to the category “both.”

Approximately half of employers surveyed offer some type of retirement plan to full-time employees as shown in Figure 5. An almost equal number offer full-time employees no retirement benefits.

Part-time employees are offered retirement benefits by 23 percent of employers. Seventy-seven percent of Idaho employers report no retirement benefit plan offered to part-time employees.



2007-2009 Survey Comparison

In order to identify trends in the frequency of benefits offered, an analysis was conducted to compare results from the 2009 benefits survey to the previous survey conducted in 2007. The 2009 Idaho Fringe Benefits Survey instrument was identical to the 2007 version.

MEDICAL

From 2007 to 2009, only one significant difference exists in the percentage of employers offering medical coverage. As Figure 6 shows, the number of employers offering individual medical benefits to full-time employees decreased seven percentage points from 63 percent in 2007 to 56 percent in 2009. All other types of medical benefits offered (coverage for part-time employees or families) saw no significant changes over this time.

DENTAL

The percentage of employers offering dental benefits to full or part-time employees and their families did not change significantly from 2007 to 2009 (Table 3).

LEAVE

The percentage of employers offering undesigned leave to full-time employees increased significantly from 2007 to 2009. While only 22 percent of employers surveyed in 2007 offered undesigned leave, the proportion increased seven percentage points to 29 percent in 2009. Growth in the percentage of employers offering undesigned leave combined with the absence of significant differences in the amount of sick, holiday or vacation leave offered to full-time employees suggests that overall more employers are offering some type of leave in 2009 than in 2007.

Figure 6: Percent of Employers Offering Medical Benefits to Full Time Employees

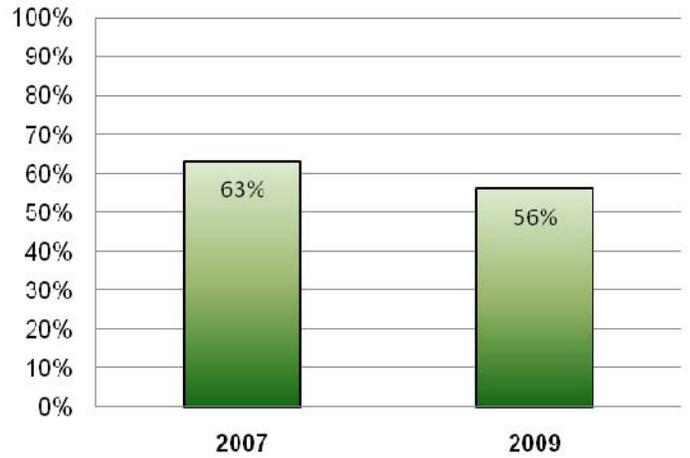
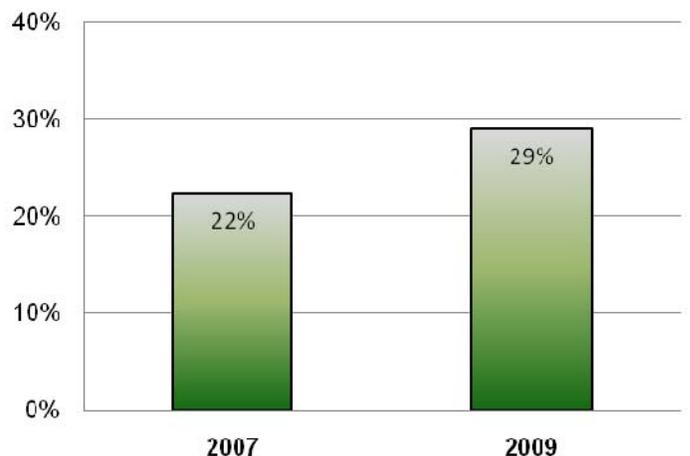


Table 3: Percent of Employers Offering Dental 2007-2009

	Full-Time		Part Time	
	2007	2009	2007	2009
Insurance				
Single Dental	45%	44%	9%	10%
Family Dental	43%	42%	8%	9%

Figure 7: Percent of Employers Offering Undesignated Leave to Full Time Employees



RETIREMENT

No significant difference exists from 2007 to 2009 in the percentage of employers offering any type of retirement benefits to employees. However, the percentage of employers offering a defined retirement benefit significantly decreased from 16 percent in 2007 to 11 percent in 2009. For part-time employees, while there was no significant change in the percentage of employers offering defined benefits, defined contribution plans increased from 16 percent in 2007 to 21 percent in 2009.

	Full-Time		Part Time	
	2007	2009	2007	2009
Retirement				
Defined Contribution	43%	46%	17%	21%
Defined Benefit	16%	11%	7%	5%
None Offered	51%	49%	79%	77%

Size of Firm

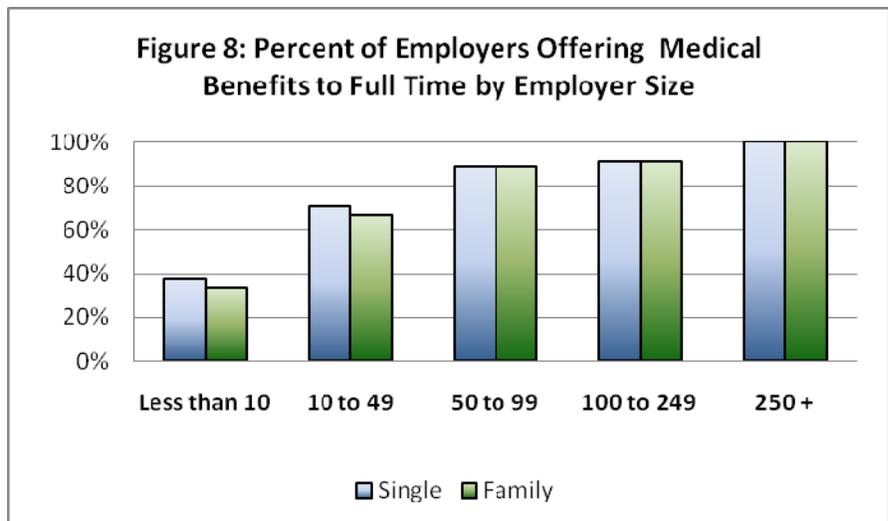
In order to determine if firm size impacts the availability of fringe benefit packages, the sample was separated into five groups based on average employment. Appendix 1 lists the basic demographics of Idaho employers and employees.

MEDICAL

A significantly higher percentage of employers with an average of 10 or more employees offer medical benefits, both single and family to full-time employees than employers with fewer than 10 employees (Figure 8).

Part-time employees are offered single or family benefits by a significantly larger portion of the employers with 250 or more employees than any other size. However, among employers with 249 or fewer employees, no significant difference exists (Figure 8).

For all employer sizes, no significant difference exists between the numbers of employers offering single benefits versus family benefits.



ENROLLMENT

Table 5 represents the percentage of employees, full time and part time separated by size of employer, who enrolled in single or family medical benefits. Only companies that provided information about both the numbers of enrollees and the number of employees offered benefits were included. While enrollment levels fluctuate between each of the employer size categories, none of the differences in enrollment were significant.

Employer Size	Single	Family
Full-Time		
Fewer than 10	54%	30%
10 to 49	59%	37%
50 to 99	77%	46%
100 to 249	85%	45%
250 +	52%	34%
Part Time		
Fewer than 10	40%	35%
10 to 49	30%	33%
50 to 99	*	*
100 to 249	*	*
250 +	46%	61%

*n less than 3

EMPLOYER PAID PORTION OF THE PREMIUM

Firms with fewer than 10 employees pay an average of 80 percent of the medical insurance premiums, leaving the employee to pay only 20 percent. While the largest firms, those with over 250 employees, average 93 percent paid by the company, differences between employer sizes above 10 employees are not statistically significant.

For part-time employees, the percentage paid for family medical coverage is significantly higher for larger firms with over 100 employees, and the smallest firms, those with fewer than 10. However, response rates for this question were much lower than other questions, leading to a small sample size. Further testing is required to determine the true significance of the differences for part-time employees.

Employer Size	Single	Family
Full-Time		
Fewer than 10	80%	39%
10 to 49	84%	35%
50 to 99	82%	38%
100 to 249	85%	43%
250 +	93%	61%
Part Time		
Fewer than 10	74%	65%
10 to 49	54%	15%
50 to 99	*	35%
100 to 249	89%	89%
250 +	77%	65%

* sample size less than 3

LEAVE

Among firms with more than 10 employees, no significant difference exists in the percentage offering some type of paid leave to full-time employees. However, a significantly lower percentage of companies with fewer than 10 employees offer paid leave (Figure 9). For part-time employees, a significantly larger percentage of employers with over 250 employees offer paid leave.

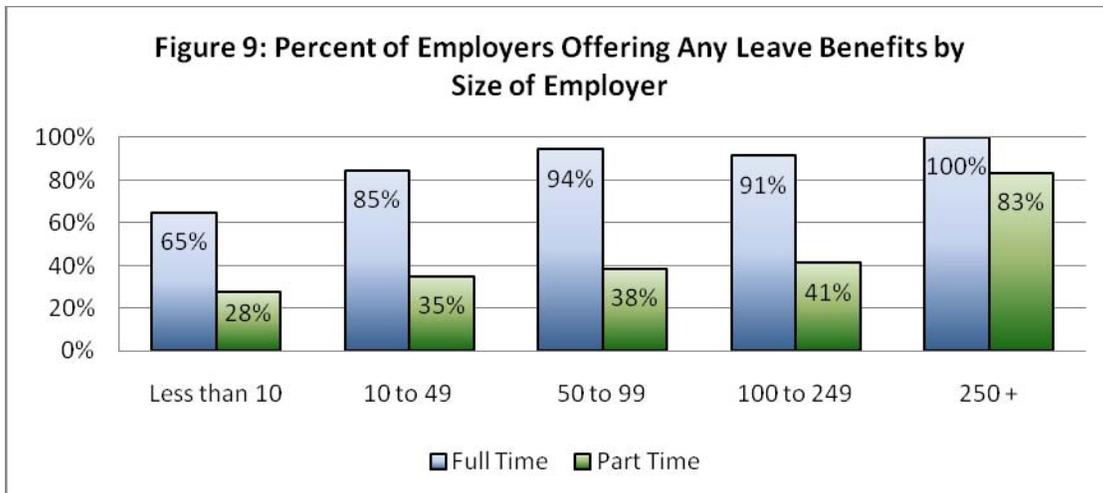


Table 7 shows the distribution of types of paid leave among the different sized employers. While significant differences exist between employer sizes and leave offerings, there is no clear pattern to suggest that larger or smaller employers consistently offer different leave benefits. Also, companies could offer multiple types of leave.

RETIREMENT

Firms with 100 or more employees are significantly more likely to offer at least one type of retirement plan to full-time employees than firms with fewer than 50 employees. In addition, a significantly higher percentage of firms with more than 100 employees offer defined benefit plans to full-time employees than firms with fewer than 50 employees. The percentage of mid-sized companies with 50 to 99 employees that offer some retirement benefit is significantly higher than companies with fewer than 10 employees. But it is significantly lower in terms of defined benefit plans when compared to the largest companies (Table 7).

For part-time employees, the percentage of employers offering some type of retirement

benefit is higher for companies with over 250 employees than for those with fewer than 100. But no significant difference exists between the largest companies and those with 100-249 employees. However, a defined benefit plan is offered by a significantly higher percentage of the companies with over 250 employees than by any other size group.

Employer Size	Undesignated Leave	Vacation Leave	Sick Leave	Holiday Leave
Full-Time				
Fewer than 10	22%	58%	42%	58%
10 to 49	30%	78%	53%	76%
50 to 99	50%	84%	65%	88%
100 to 249	62%	74%	56%	81%
250 +	58%	58%	77%	79%
Part Time				
Fewer than 10	4%	19%	13%	23%
10 to 49	12%	20%	15%	25%
50 to 99	17%	9%	13%	27%
100 to 249	24%	24%	6%	24%
250 +	55%	36%	50%	46%

*Leave benefits are not mutually exclusive, employers may offer more than one type

Employer Size	Defined Contribution	Defined Benefit	Both Offered	None Offered
Full-Time				
Fewer than 10	27%	3%	4%	66%
10 to 49	53%	3%	5%	39%
50 to 99	57%	6%	20%	17%
100 to 249	61%	17%	17%	4%
250 +	21%	14%	57%	7%
Part Time				
Fewer than 10	9%	2%	1%	88%
10 to 49	25%	3%	1%	71%
50 to 99	29%	0%	4%	67%
100 to 249	56%	0%	0%	44%
250 +	31%	8%	38%	23%

Industry

MEDICAL

Figures 10 and 11 depict medical insurance offered to employees by employers categorized by industry type according to the North American Industry Classification System.

While differences occurred between the percentages of employers offering medical benefits, most differences are not statistically significant and could have occurred simply due to the variations in the sample selection. However, the percentage of employers in public administration that offer single medical benefits to full-time employees was significantly higher than the percentages in construction, manufacturing, financial activities, leisure and hospitality and other services. The differences between sectors offering benefits at percentages above the statewide total are not significant nor are the differences between the industries with percentages lower than the statewide total.

Differences between industries in the percentage of employers offering single medical benefits to part-time employees are not statistically significant.

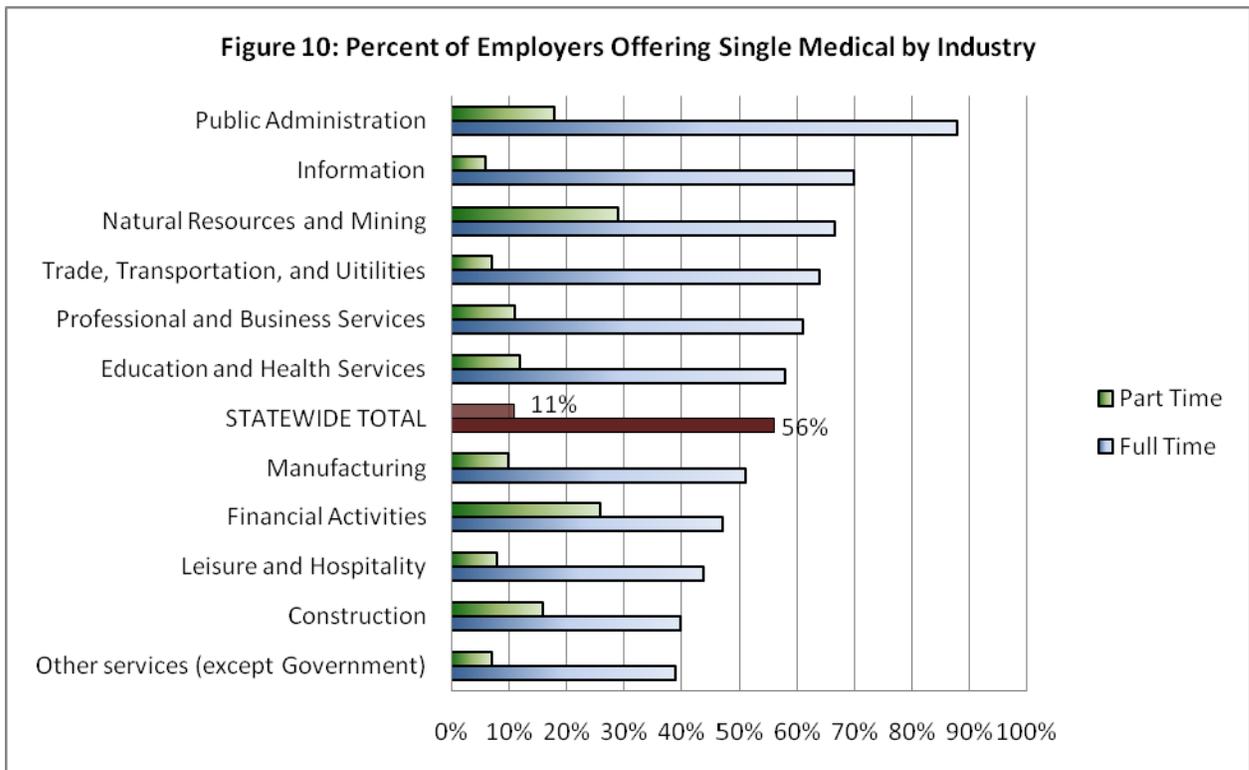
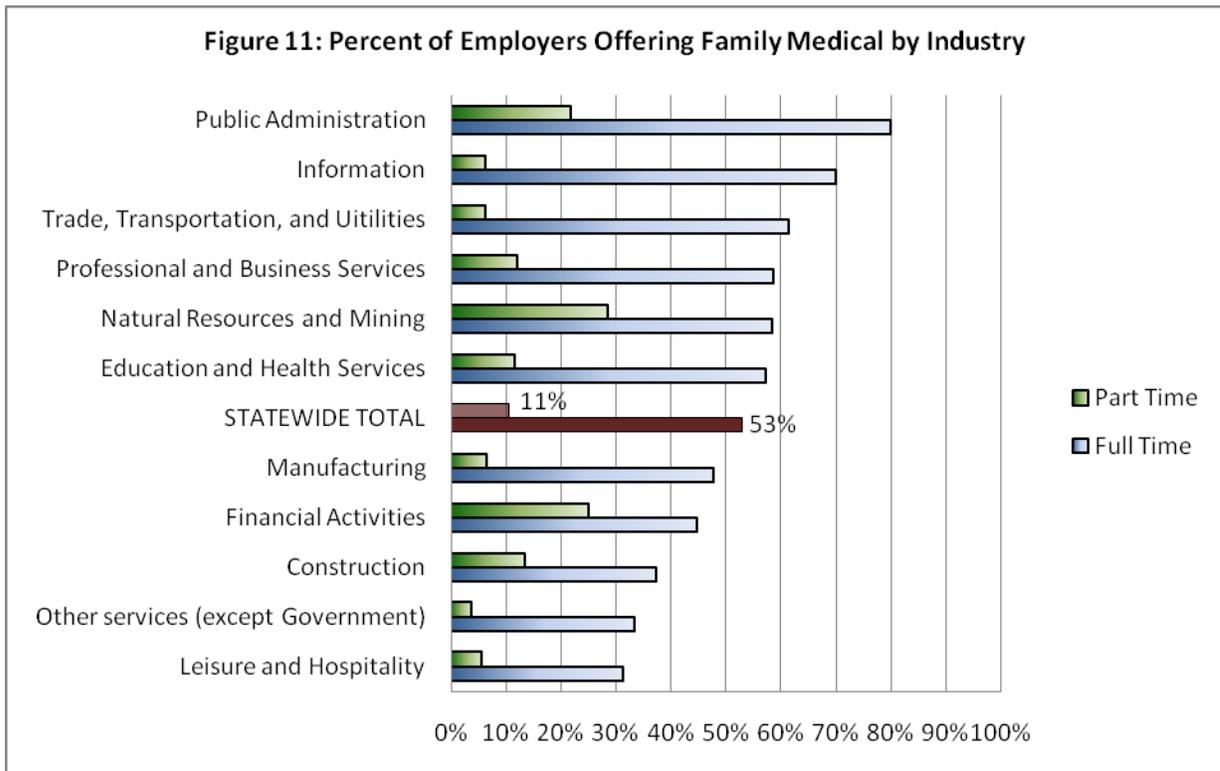


Figure 11 shows similar results for the percentage of employers offering family benefits. A significantly higher percentage of employers in public administration offer family medical when compared to construction, leisure and hospitality and other services. Construction offers family benefits at a significantly lower rate than trade, transportation and utilities. All other differences were not found to be statistically significant. None of the differences between industries are significant for the percentage of employers offering family benefits to part-time employees.



Private Sector vs. Local Government

Tables 9 through 11 compare benefits offered by private employers to those offered by local governments such as schools and cities. State government was surveyed for the first time in 2009 but for the purpose of statistical testing, state government was excluded because the sample size was one.

MEDICAL

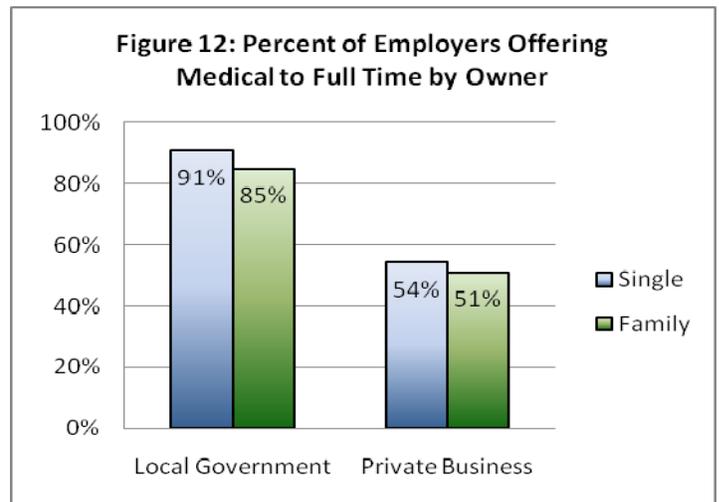
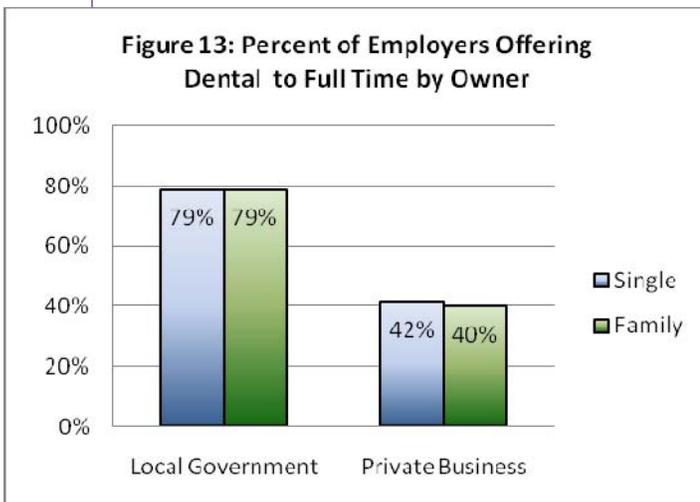
A significantly higher percentage of local government employers offer single and family medical benefits to full-time employees as Figure 12 shows. However, no significant difference exists between the percentages of employers offering benefits to part-time employees.

DENTAL

A significantly higher percentage of local government employers offer dental benefits to full-time employees and their families than employers in the private sector. A significant difference does not exist between benefits offered to part-time employees working for private businesses compared to local governments.

Owner	Single	Family
Full-Time		
State Government	100%	100%
Local Government	91%	85%
Private Business	54%	51%
Part Time		
State Government	100%	100%
Local Government	17%	19%
Private Business	11%	10%

Owner	Single	Family
Full-Time		
State Government	100%	100%
Local Government	79%	79%
Private Business	42%	40%
Part Time		
State Government	100%	100%
Local Government	17%	19%
Private Business	9%	8%



LEAVE

A significantly higher percent of local governments offer undesignated, vacation, sick and holiday leave to full-time employees compared to private sector firms (Figure 14).

There is no significant difference between private and government employers offering undesignated, vacation and holiday leave to part-time employees. However, local government is significantly more likely to be offering sick leave for part-time employees. Private sector firms are significantly less likely than their local government counterparts to offer sick leave to part-time employees.

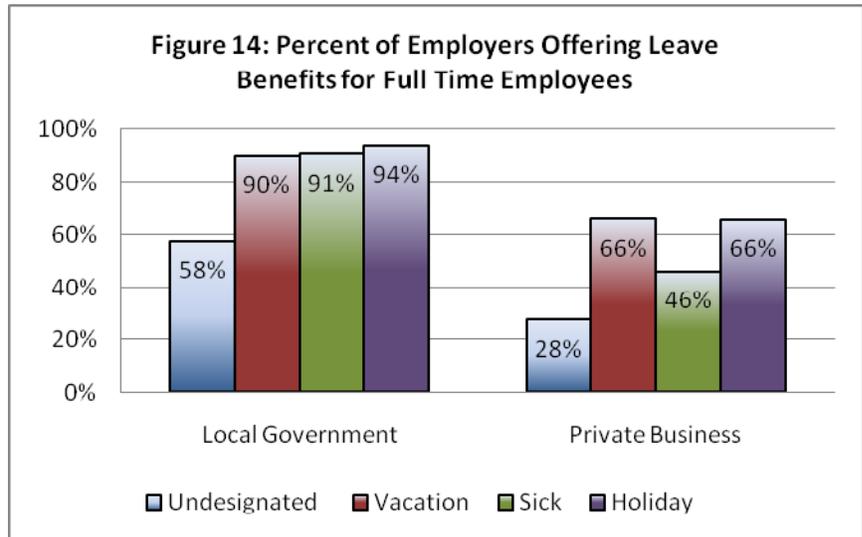
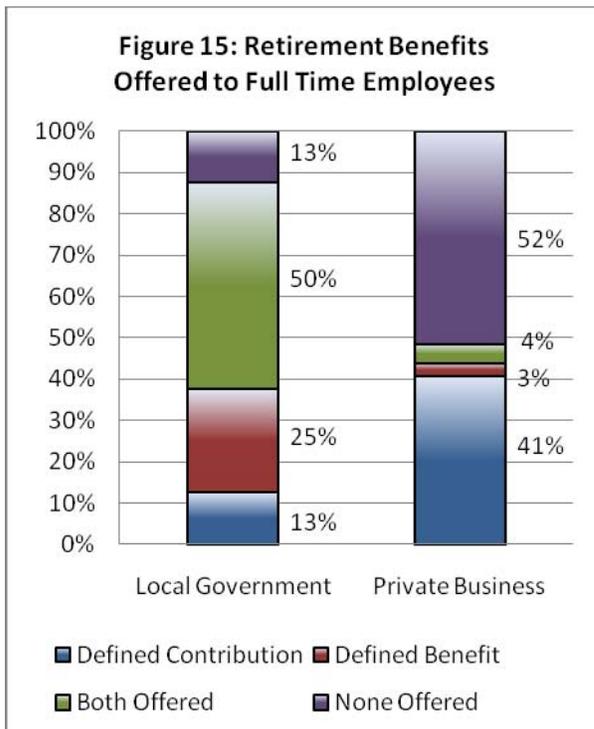


Table 11: Percent of Employers Offering Leave by Owner

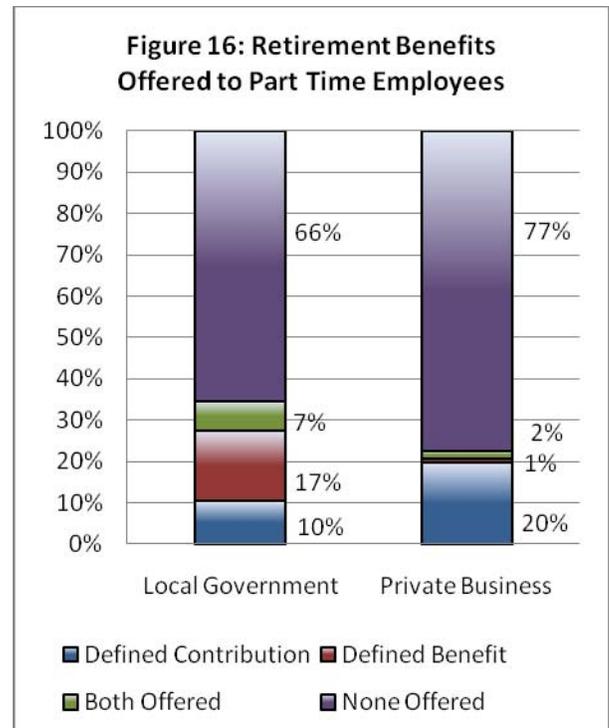
Owner	Undesignated	Vacation	Sick	Holiday
Full-Time				
State Government	0%	100%	100%	100%
Local Government	58%	90%	91%	94%
Private Business	28%	66%	46%	66%
Part Time				
State Government	0%	100%	100%	100%
Local Government	11%	22%	31%	31%
Private Business	10%	19%	13%	24%

RETIREMENT

Eighty-seven percent of local government employers offer some type of retirement plan to full-time employees, with 50 percent offering both defined contributions and defined benefit plans. Among private businesses, 48 percent offer retirement benefits, but a significantly lower percentage offers both types of plans or a defined benefit plan alone. A significantly higher percentage of private businesses do not offer any kind of retirement benefit to full-time employees.



For part-time employees, a significant difference does not exist between the percentages of employers offering retirement benefits in local government versus private businesses (Figure 16). The percentage of local government employers offering a defined benefit retirement plan is significantly higher than for private businesses. Employers in both sectors are equally likely to offer part-time employees defined contribution plans or both options.



About the Survey

The state of Idaho selected 1,470 employers to participate in the 2009 Idaho Fringe Benefits Survey. General findings are significant at a 95 percent confidence level with a margin of error of plus or minus 3 percentage points. Results with fewer than three respondents are suppressed to protect confidentiality. Benefits examined included health and dental insurance coverage; paid leave including vacation, sick time, undesignated leave and holidays; and retirement plans.

The 2009 survey sample was drawn from a list of employers who were covered under unemployment insurance laws. This includes 99.7 percent of all wage and salary civilian employment. Several groups were excluded from this set of employers including members of the armed forces, the self-employed, proprietors, domestic workers, unpaid family workers and railroad workers covered by the railroad unemployment insurance system (www.bls.gov). While local government firms and state government are not included in the covered employers, these employers were added to the sample so that comparisons could be made.

Appendix 1: Demographics of Idaho Employers and Employees				
	Employers ⁴		Employees	
		%		%
Statewide				
	49,591	100%	618,592	100%
Region				
Northern	8,276	15%	77,414	13%
North Central	3,510	6%	42,738	7%
Southwestern	22,639	40%	274,044	44%
South Central	7,615	13%	78,585	13%
Southeastern	4,663	8%	59,516	10%
Northeastern	7,258	13%	80,129	13%
Unknown	2,526	4%	6,167	1%
Industry				
Agriculture	2,020	4%	22,358	4%
Mining	172	<1%	2,147	<1%
Utilities	237	<1%	2,901	<1%
Construction	8,889	18%	35,438	6%
Manufacturing	2,261	5%	54,575	9%
Wholesale Trade	3,117	6%	26,375	4%
Retail Trade	4,917	10%	77,186	12%
Transportation & Warehousing	1,810	4%	19,810	3%
Information	859	2%	10,776	2%
Finance & Insurance	2,109	4%	20,956	3%
Real Estate, Rental & Leasing	2,362	5%	7,455	1%
Professional, Scientific & Technical Services	5,688	11%	31,909	5%
Management of Companies & Enterprises	247	0%	6,755	1%
Administrative Support & Waste Mgmt.	2,810	6%	37,867	6%
Educational Services	612	1%	58,384	9%
Health Care & Social Assistance	4,195	8%	78,883	13%
Arts, Entertainment & Recreation	831	2%	10,549	2%
Accommodation & Food Service	2,897	6%	51,173	8%
Other Services	3,433	7%	16,758	3%
Public Administration	508	1%	44,816	7%
Unknown	3	<1%	1,520	<1%
Employer Size				
Fewer than 10	40,335	81%	111,728	18%
10 to 49	7,469	15%	195,559	32%
50 to 99	952	2%	94,391	15%
100 to 249	535	1%	84,475	14%
250 +	300	1%	132,440	21%
Ownership				
Federal Government	40	<1%	13,625	2%
State Government	96	<1%	26,687	4%
Local Government	886	2%	76,037	12%
Private Business	48,569	98%	502,243	81%

⁴ Statewide employer totals do not reflect multiple locations for any given employer. Regional employer totals include all employers with locations in the region regardless of locations elsewhere. Industry employer totals include employer based on the North American Industrial Classification of each location. Employer size and ownership totals do not reflect multiple employer locations for any given employer.

Definitions

Single Coverage Health Insurance: Health insurance for the employee only.

Dependent Coverage Health Insurance: Health insurance for the employees' spouses, children or other dependents.

Dependent: Any individual under the legal care of the employee such as children.

Number Offered Health Insurance: This is the number of employees, full-time or part-time, who were actually offered health insurance by their employer. There can be instances when two employees may work the same amount of hours, but one is offered health insurance by the employer while the other employee is not.

Number Enrolled in Health Insurance: The number of employees who were actually enrolled on the company sponsored medical plan.

Premium: The monetary cost the insurance company charges for health insurance.

Employer-Paid Percent of the Premium: The percentage of the total health insurance premium that the employer paid on behalf of the employee.

Defined Contribution Plan: A retirement plan where employees contribute a certain amount of money to be invested and will receive the principle and investment earnings when they retire. Examples: 401k, profit sharing.

Defined Benefit Plan: A retirement plan that guarantees a specified monetary amount will be paid to the employee every year while in retirement for the remainder of the employee's life.

Examples: State PERSI plan, standard pension.

Undesignated Leave: Leave that does not have a specific designation for how it will be used. Employees may have received a certain number of days they could use for vacation, personal days, sick leave or personal holidays.

Sick Leave: Leave given to an employee during an illness, surgery or medical absence or sometimes for illnesses of someone in the employee's immediate family.

Vacation Leave: Leave given to an employee without restriction.

Holiday Leave: Leave given to an employee for holidays observed by the employer.



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