

2000 Albuquerque Employee Benefits

NEW MEXICO DEPARTMENT OF LABOR
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This report will be available on the Internet at http://www.dol.state.nm.us/dol_lmif.html.



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INTRODUCTION

During the first week of April 2000, a four-page benefits survey form was mailed to 806 employers in Albuquerque, New Mexico. These employers were randomly selected from the 1999 America's Labor Market Information System, Employer Database. Of the 806 surveys sent, we received 206 replies, a 26 percent response rate; 177 of these were usable responses. Extra surveys were sent to ensure a high response rate without a second mailing. All the responding firms employ full-time employees while 54 percent also employ part-time employees. The total employees for all the employers who responded to this survey was 38,485. The employers surveyed range across industries, size and ownership types. The companies selected for the survey are non-government entities.

We would like to thank each employer in the Albuquerque area who took the time to complete and return the survey form. We are grateful for their efforts and hope that they find this report useful.

For additional copies of the report, to obtain more information or to offer comments, please contact our office.

SUMMARY OF SURVEY FINDINGS

This study found that the average workweek for most full-time employees is 40 hours. Beyond working a 40 hour workweek, most employees receive an average of seven paid holidays per year. In addition to holidays, many employees also receive about eight days of flexible paid time off, which can include combined vacation and sick. Most employers offer their employees anywhere from six to 13 separate vacation days depending on how long they work for the firm. About half of employers offer employees about six days of sick leave separate from flexible paid time off. A small percentage offer their employees unlimited sick leave. Other paid personal leave includes days off for funerals, military service, doctor and dentist appointments, maternity and paternity leave, and jury duty.

Most employers offer life and accidental death and dismemberment insurance to their employees. Most employers also offer retirement benefits to their employees including: a traditional defined benefit pension plan, deferred profit sharing, defined contribution plans, and employee stock ownership.

Maternity leave is offered to employees by over one-third of employers and paternity leave is offered to employees by under one-third of employers. A small percentage of employers offer eldercare benefits to employees. A higher percentage of employers offer their employees childcare benefits. Childcare benefits include: 100 percent reimbursement, less than 100 percent reimbursement, in house child care, preschool and after school care, a flexible spending account, and Section 125 Dependent Child Care Reimbursement.

Most employers offer paid education and training to their employees. This includes: job and non-job related educational assistance, short-term training, paying 100 percent or a lesser percentage of the cost of the course, paying for the course based on the course grade received, and seniority and years of service at the firm. Other types of educational assistance listed include: scholarships, payment of licensing costs, continued education, workshops, apprenticeship training, and in-service training conferences.

Some employers offer some type of flexible work schedule. These employers allow their employees to telecommute, work at home, job-share or take flex-time (work a compressed workweek).

Health insurance is one of the fundamental parts of the benefits program. There are two main types of health benefits: medical and dental. There are two components of each program: coverage for employees and dependents. Most employers do offer medical benefits to their employees and their dependents. These employers pay on average 86 percent of the cost of employee benefits and 84 percent of the cost of dependent benefits. Some of these employers offer their employees a choice between the following medical plans: a traditional fee-for-service, a health maintenance organization, and a preferred provider organization. Most employers do offer their employees dental insurance and some offer vision insurance as well.

Employers offer a variety of pay increases including: cost of living, merit, and longevity. Most employers offer a combination of pay increase types. Monetary bonuses are also offered to employees including: holiday, performance based, longevity based, percentage of profits, signing bonuses, and company profits. As with pay increases, employers offer their employees a combination of monetary bonus types.

This study found that employer-provided benefits cost the employers an average of 14 percent of total payroll. Legally-mandated benefits, such as social security, unemployment insurance and worker's compensation, cost the employer an average of 12 percent of total payroll.

DEFINITIONS

EMPLOYEE BENEFITS TERMINOLOGY

Benefits: Nonwage compensation provided to employees. Benefits are grouped into five categories: Paid leave (vacations, holidays, sick leave); supplementary pay (premium pay for overtime and work on holidays and weekends, shift differentials, nonproduction bonuses); retirement (defined benefit and defined contribution plans); insurance (life insurance, health benefits, short-term disability, and long-term disability insurance and legally required benefits (Social Security and Medicare, Federal and State unemployment insurance taxes, and workers' compensation)).

Personal Leave: Also known as general leave, personal leave provides employees with time-off from work for various purposes not covered by other types of leave plans.

Life Insurance: Provides a lump-sum payment to a designated beneficiary or beneficiaries of deceased employees. Companies may provide a basic amount of life insurance benefits, which may vary depending on an employee's age, income, or occupation, and allow employees to pay for additional amounts of coverage.

Accidental Death and Dismemberment Insurance (AD&D): Insurance that provides payment for accidental loss of life, limb, hearing, or sight. Insurance usually covers both occupational and nonoccupational deaths and injuries, but coverage may be limited to one or the other. Double indemnity provisions of life insurance plans are considered to be AD&D if they provide benefits for both accidental death and dismemberment.

Deferred Profit Sharing Plan: A defined contribution plan under which a company credits a portion of company profits to employees' accounts. Plans may set a fixed formula for sharing profits but this is not a requirements. Most plans hold money in employee accounts until their retirement, disability, or death.

Defined Contribution Plan: A retirement plan in which the employer makes specified contributions but the amount of the retirement benefit is not specified. Defined contribution plans may be wholly or partially funded by employers.

401(k), 403 (b) Plans: Defined contribution benefits plan established under Section 401 (k) of the Internal Revenue Code (IRC) permit employees to make pre-tax contributions via salary reduction agreements. IRC Section 403 (b) plans are deferred compensation plans for employees of certain not-for-profit organizations and public schools.

Defined Pension Plan: A retirement plan that uses a specific, predetermined formula to calculate the amount of an employee's future benefit. In the private sector, defined benefit plans are typically funded exclusively by employer contributions. In the public sector, defined benefit plans often require employee contribution.

Employee Stock Ownership Plans (ESOP): A defined contribution plan in which the employer contributes to a fund that invests primarily in company stock and makes distributions in stock or cash. The plan must be specifically designated in its name or official description as an "employee stock ownership plan."

Long-term Disability Insurance: Provides a monthly benefit to employees who, due to illness or injury, are unable to work for an extended period of time. Usually LTD benefit payments begin after 3 or 6 months of disability and continue until retirement age is reached, or for a specified number of months, depending on the employee's age at the time of the disability. Payments typically equal a fixed percent of predisability earnings.

Short-term Disability Plan: A benefit plan that provides full, partial, or a combination of full and partial pay, to employees who are unable to work because of a non-work related accident or illness. Short-term disability payments are normally paid for only a fixed number of weeks, typically 26 weeks. The benefit payment is either a percentage of an employee's earnings or a fixed dollar amount per week.

TYPES OF HEALTH INSURANCE PROGRAMS

Fee-For-Service Plan: A health care plan that reimburses care providers or patients after services have been rendered. Fee-for-service plans allow workers to select the health care providers (physicians and hospitals) of their choice.

Health Maintenance Organization (HMO): Organization that provides prepaid comprehensive health care services. HMOs both insure and deliver health care services. Enrollees usually reside within a fixed geographic area and are required to obtain services only from providers affiliated with the HMO. An exception to this case is *Point of Service Open-Ended HMOs*, which allow enrollees the option of obtaining services from physicians and facilities not affiliated with their HMO.

Preferred Provider Organization (PPO): Preferred Provider Organization health plans offer a higher benefit for services rendered by designated health care providers although plan participants are free to choose any provider they wish.

NUMBER OF EMPLOYEES

Full-Time: Ninety-five percent of the employers responded to this question. Total employees for all employers who responded is 29,969. The median employer has 25 full-time employees.

Part-Time: Total employees for all employers who responded is 8,516. The median employer has 6 part-time employees.

WORKWEEK

The employer response rate for full-time employees was 89 percent and for part-time employees was 76 percent. The median and average workweek for full-time employees is 40 hours while for part-time employees it is 25 hours. The minimum for full-time employees is 30 hours and for part-time it is five hours. The maximum is 50 hours for full-time and 40 hours for part-time employees.

PAID TIME OFF

There are two general types of paid time off. The traditional method allocates leave by separate categories such as vacation and sick leave. A more recent trend is toward flexible programs where the leave classifications are combined into one pool from which employees draw when they need time away.

Five categories of paid time off were surveyed: paid holidays, flexible paid time off, sick leave, vacation and other paid personal time.

PAID HOLIDAYS

Of the 177 surveys used, 81 percent of employers offer anywhere from one to 23 days of paid holidays to full-time employees, with the average at seven days. Forty-three percent of the employers offer anywhere from two to 23 days of paid holidays to part-time employees, with the average at eight days.

FLEXIBLE PAID TIME OFF

Twenty-three percent of employers offer a flexible paid time off program to their full-time employees and 15 percent to their part-time employees. These employers offer a combination of vacation/sick, vacation/sick/paid time off and vacation/sick/paid time off/holiday to be used at the employee's discretion. Eighteen percent of the employers, offer combined vacation and sick leave.

There are differences between full-time and part-time employees. More employers offer this benefit to their full-time employees. Some of the employers that offer this benefit to full-time but not to part-time employees, also offer fewer days than those who offer it to both types of employees.

Full-time employees receive a median of 12 flexible days off. Part-time employees receive a median of eight flexible days off.

Flexible PTO: Median Days Off Per Year		
Years of Service	Full-Time	Part-Time
1 year	12	8
3 years	14	8
5 years	15	8
10-20 years	21	10

PAID SICK LEAVE

Fifty percent of the firms offer paid sick leave to full-time employees while 24 percent offer this benefit to part-time employees. Of those that offer sick leave separate from vacation, full-time employees receive a median of six paid sick days. Part-time employees receive a median of four paid sick days.

Four percent of employers offer unlimited paid sick leave to full-time employees. Six percent of employers offer unlimited paid sick leave to part-time employees.

Number of Sick Days Offered		
Employee	Employers	Median
Full-Time	50%	6
Part-Time	24%	4

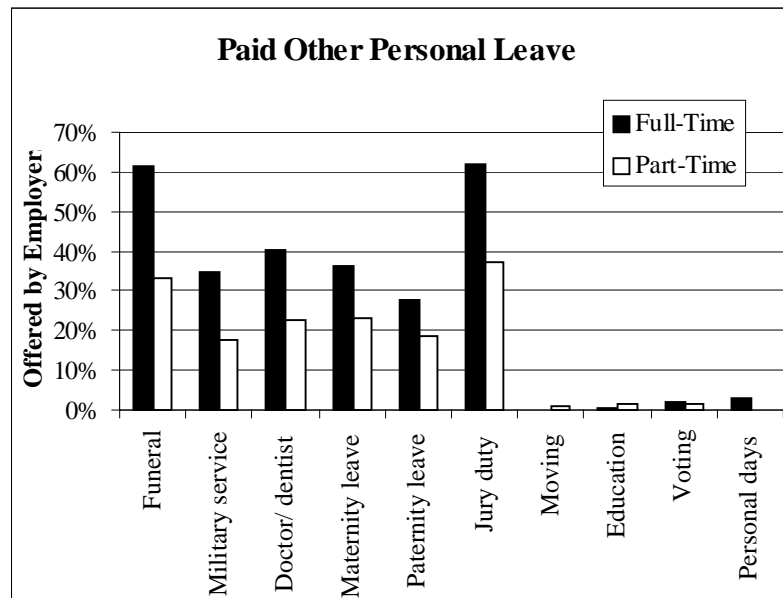
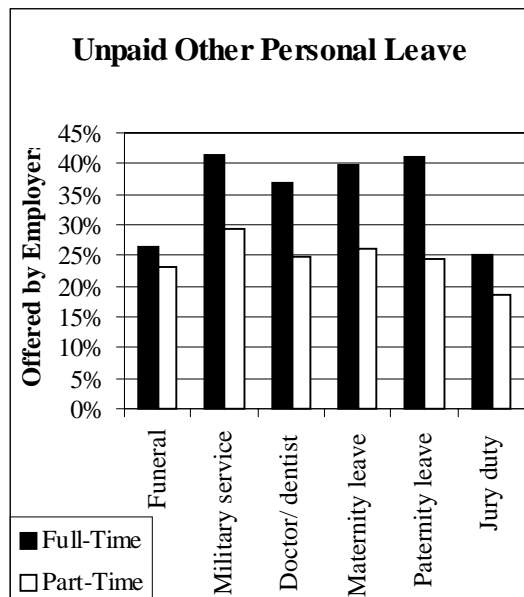
VACATION

Seventy-eight percent of the firms offer separate paid vacation to their full-time employees. Thirty-seven percent of firms offer separate paid vacation to their part-time employees. Generally, the longer an employee is with a firm the more vacation they earn per year. The median for those employed full-time for one year is six days off while for those who work 20 years it is 15 days off. The median for those employed part-time for one year is six days off while for those who work 20 years it is 13 days off.

Median Vacation Days Offered Per Year		
Years of Service	Full-Time	Part-Time
1 year	6	6
3 years	10	8
5 years	11	10
10 years	15	11
20 years	15	13

OTHER PAID PERSONAL LEAVE

Funeral, military service, doctor/dentist appointment, maternity/paternity, and jury duty are the most common paid leave allowances offered by employers for other personal needs. Full-time employees are offered a higher percentage of these benefits than part-time employees.



LIFE INSURANCE

Life insurance is offered in 62 percent of firms to full-time employees and in 31 percent to part-time employees.

Life & ADD Insurance		
Employees	Life	Death
Full-Time	62%	51%
Part-Time	31%	30%

ACCIDENTAL DEATH AND DISMEMBERMENT INSURANCE

Accidental death and dismemberment insurance (ADD) is offered in 51 percent of firms to full-time employees and in 30 percent to part-time employees.

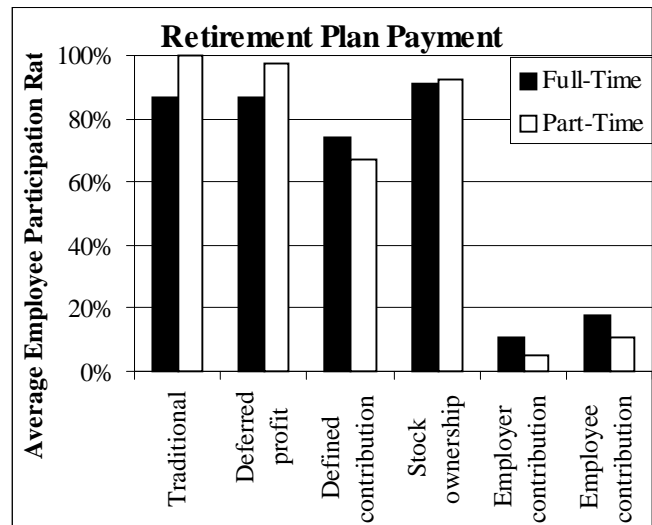
RETIREMENT BENEFITS

There were four categories of retirement benefits that were surveyed: traditional defined-benefit pension, deferred profit sharing, defined contribution plans (such as 401(k) and 403b) and employee stock ownership. In a defined benefit plan, the benefit amount is predetermined based on salary or years of service. In a defined contribution plan, the employer or employee contributions are specified, but the benefit amount is not guaranteed and is usually tied to investment returns.

Retirement Programs	
Employee	Percent offering
Full-time	68%
Part-time	38%

Sixty-eight percent of employers offer retirement programs to their full-time employees and 38 percent to their part-time employees.

Of those that answered, on average, 87 percent of full-time employees participate in the traditional defined-benefit pension - ten percent of employers answered this question. On average, 86 percent of full-time employees participate in the deferred profit sharing - six percent of employers answered this question. On average, 74 percent of full-time employees participate in the defined contribution plans - 49 percent of employers answered this question. On average, 91 percent of full-time employees participate in the employee stock ownership - five percent of employers answered this question.



Of those that answered, on average, 100 percent of part-time employees participate in the traditional defined-benefit pension - four percent of employers answered this question. On average, 98 percent of part-time employees participate in the deferred profit sharing - two percent of employers answered this question. On average, 67 percent of part-time employees participate in the defined contribution plans - 19 percent of employers answered this question. On average, 93 percent of part-time employees participate in the employee stock ownership - two percent of employers answered this question.

Forty-three percent of employers responded that they contribute to the retirement plan of their full-time employees. On average, these employers match up to 11 percent of their employee's 18 percent contribution. Twenty percent of employers contribute to the retirement plan of part-time employees. On average, these employers match up to five percent of their employee's 11 percent contribution.

FAMILY BENEFITS

MATERNITY AND PATERNITY BENEFITS

Since 1993, the federal Family Medical Leave Act (FMLA) has required employers with 50 or more employees within a 75-mile area to provide up to 12 weeks of job-protected unpaid leave to eligible workers for the birth or adoption of a child, placement of a foster child in the home, care of a seriously ill family member, or personal health reasons.

Family Benefits			
Percent employers offering:	Employee	Full-Time	Part-Time
Maternity leave	Paid	36%	23%
	Unpaid	40%	26%
Paternity leave	Paid	28%	19%
	Unpaid	41%	24%

Full-time: Thirty-six percent of employers offer paid and 40 percent offer unpaid maternity leave to their employees. Twenty-eight percent of employers offer paid and 41 percent offer unpaid paternity leave.

Part-time: Twenty-three percent of employers offer paid and 26 percent offer unpaid maternity leave to their employees. Nineteen percent of employers offer paid and 24 percent offer unpaid paternity leave.

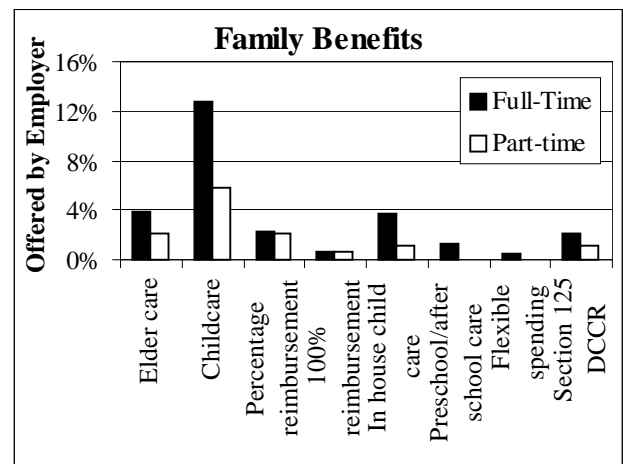
ELDERCARE BENEFITS

Four percent of firms offer elder care benefits to their full-time employees and two percent to their part-time employees.

CHILDCARE BENEFITS

Full-time: Thirteen percent of the firms surveyed offer childcare assistance to their employees. Two percent offer less than 100 percent reimbursement. One percent offer 100 percent reimbursement. Four percent offer in-house child care. One percent offer preschool and after school care. One percent offer a flexible spending account. Two percent offer section 125 Dependent Child Care Reimbursement (DCCR).

Part-Time: Six percent of the firms surveyed offer childcare assistance to their employees. Two percent offer less than 100 percent reimbursement. One percent offer 100 percent reimbursement. One percent offer in-house child care. One percent offer section 125 Dependent Child Care Reimbursement.



EDUCATION AND TRAINING

Full-Time: Sixty-seven percent of employers offer educational assistance to their employees. Fifty-seven percent of employers offer job related educational assistance to their employees while 11 percent offer non-job related educational assistance. Fifty-eight percent of employers will pay for short-term training. Thirty-six percent pay for 100 percent of the cost of the course and ten percent pay a lesser percentage. Twenty percent will pay for the course based on the course grade received and two percent based on seniority and years of service.

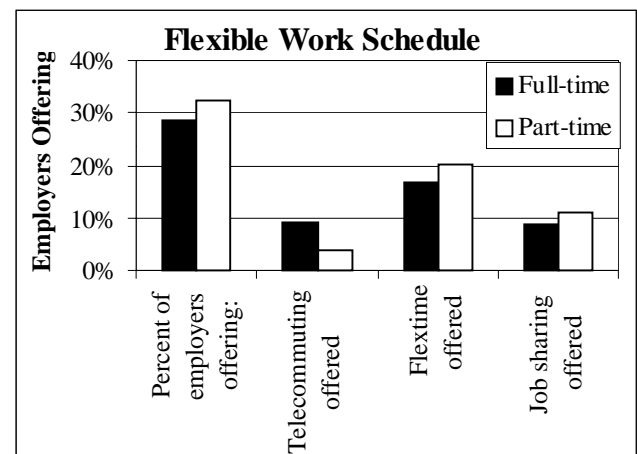
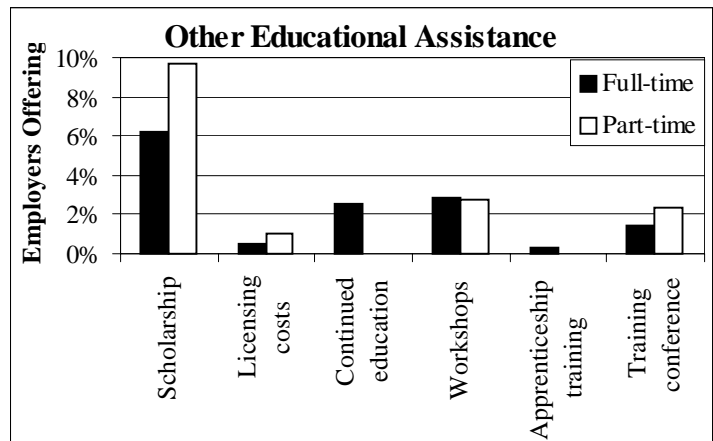
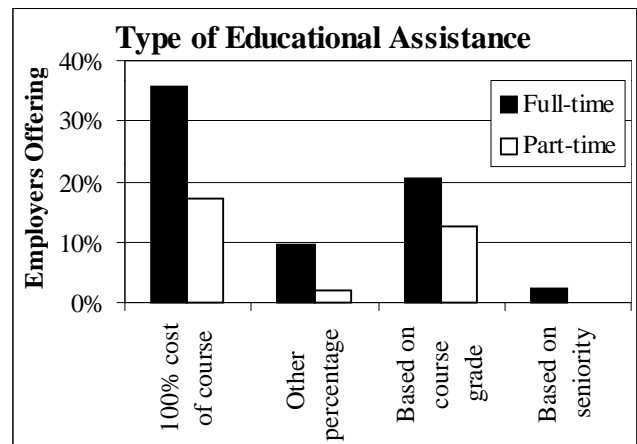
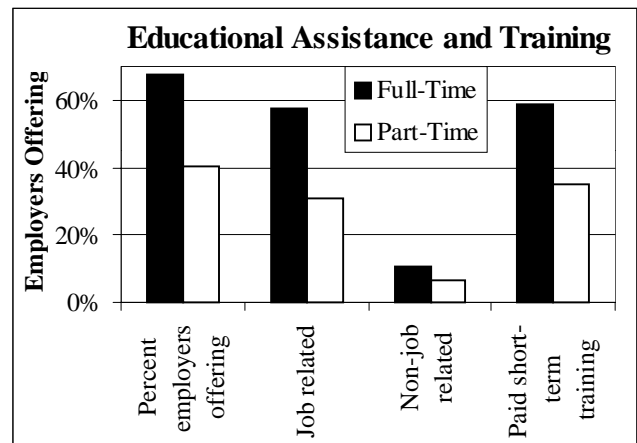
Part-Time: Forty percent of employers offer educational assistance to their employees. Thirty-one percent offer job related educational assistance to their employees while six percent offer non-job related educational assistance. Thirty-five percent of employers pay short-term training. Seventeen percent pay for 100 percent of the cost of the course and two percent pay a lesser percentage. Thirteen percent will pay for the course based on the grade received.

Other Educational Assistance: Other types of assistance listed include scholarships, payment of licensing costs, continued education, workshops, apprenticeship training, and in-service training conferences.

FLEXIBLE WORK SCHEDULES

Full-time: Twenty-eight percent of employers offer some type of flexible work schedule. Nine percent allow their employees to telecommute or work at home. Seventeen percent offer flex-time. Nine percent let their employees job-share.

Part-time: Thirty-two percent of employers offer some type of flexible work schedule. Four percent allow their employees to telecommute or work at home. Twenty percent offer flex-time. Eleven percent let their employees job-share.



HEALTH INSURANCE

Health insurance is one of the fundamental parts of a benefits program. There are two main types of health benefits: medical and dental. There are two components of each program: coverage for employees and dependents.

MEDICAL INSURANCE

EMPLOYEE MEDICAL INSURANCE

Eighty-eight percent of employers offer medical benefits to full-time employees and 39 percent to part-time. Eighty percent of full-time employees participate in a medical benefits program. Sixty percent of part-time employees participate. Employers pay 86 percent of their full-timers' and 63 percent of their part-timers' health insurance.

Employee Medical Insurance			
	Employers		
	Employee	Offering	Median
Employer payment rate	Full-Time	88%	86%
	Part-Time	39%	63%
Employee participation rate	Full-Time	81%	80%
	Part-Time	21%	60%

Full-time: Twenty-nine percent of employers offer their employees a choice between health care plans. According to employers, at the median, 75 percent of the full-time employees participate in traditional fee-for-service, 66 percent in health maintenance organizations (HMOs), and 67 percent in preferred provider organizations.

Insurance Plans			
	Employers		
Participation rate:	Employee	Offering	Median
Traditional fee-for-service	Full-Time	8%	75%
	Part-Time	4%	60%
Health maintenance organization	Full-Time	55%	66%
	Part-Time	13%	26%
Preferred provider organization	Full-Time	29%	67%
	Part-Time	6%	23%

Part-Time: Nineteen percent of employers offer their employees a choice between health care plans. According to employers, at the median, 60 percent of employees participate in traditional fee-for-service, 26 percent in health maintenance organizations (HMOs), and 23 percent in preferred provider organizations.

DEPENDENT MEDICAL INSURANCE

Seventy-nine percent of employers offer medical insurance for dependents of full-time employees. Those that offer medical insurance pay a median of 84 percent of the cost. Thirty-five percent offer medical insurance for dependents of part-time employees. Those that offer medical insurance pay a median of 83 percent of the cost.

Dependent Medical Benefits			
	Employers		
	Employee	Offering	Median
Employer payment rate	Full-Time	79%	84%
	Part-Time	35%	83%

DENTAL & VISION INSURANCE

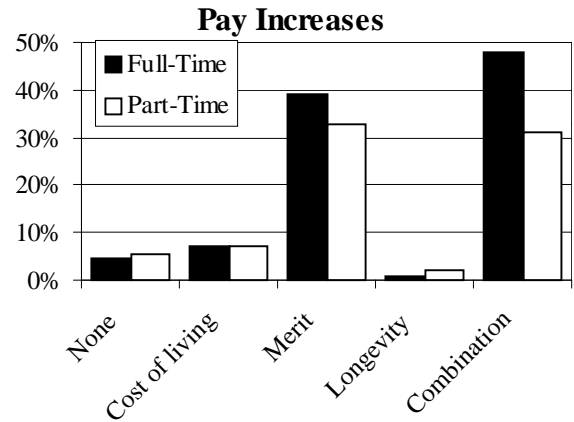
About 68 percent of employers offer dental insurance to full-time employees and 33 percent to part-time. About 41 percent of employers offer vision insurance to full-time employees and 16 percent to part-time.

PAY INCREASES AND MONETARY BONUSES

PAY INCREASES

Full-Time: Five percent of the employers offer no pay increase. Seven percent offer pay increases based on the cost of living, 39 percent based on merit, and one percent based on longevity. Many employers, 48 percent offer pay increases based on a combination of the factors above.

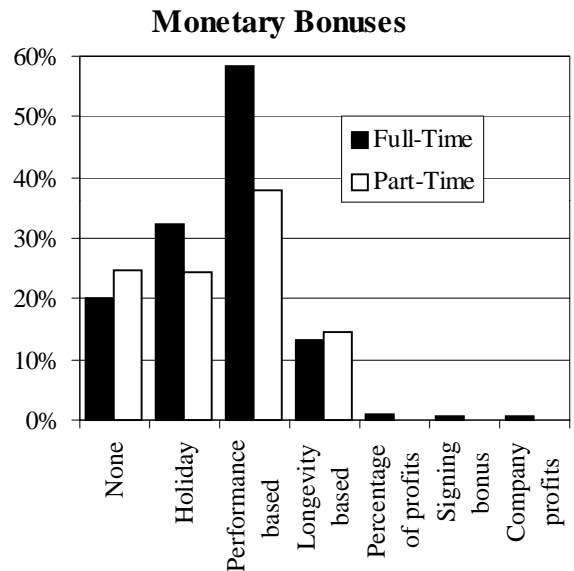
Part-Time: Five percent of the employers offer no pay increase. Seven percent offer pay increases based on the cost of living, 33 percent based on merit, and two percent based on longevity. Many employers, 31 percent offer pay increases based on a combination of the factors above.



MONETARY BONUSES

Full-Time: Twenty percent of employers do not offer monetary bonuses. Thirty-two percent offer holiday bonuses. Many employers, 58 percent, offer performance-based bonuses. Thirteen percent offer longevity-based bonuses and one percent offer a percentage of the profits, signing bonuses and company profits.

Part-Time: Twenty-five percent of employers do not offer monetary bonuses. Twenty-four percent offer holiday bonuses. Many employers, 38 percent, offer performance-based bonuses and 15 percent offer longevity-based bonuses.

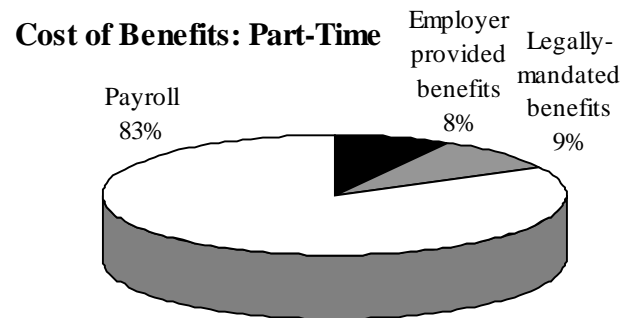
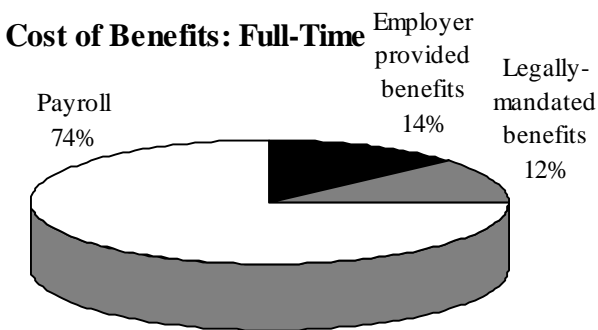


COST OF BENEFITS

We also asked employers for their firm's cost of providing all fringe benefits, as a percentage of total payroll.

Full-Time: Sixty percent of employers responded to this question. Employer-provided benefits cost the employer an average of 14 percent of total payroll. Legally-mandated benefits such as social security, unemployment insurance and worker's compensation cost the employer an average of 12 percent of total payroll.

Part-Time: Thirty-three percent of employers responded to this question. Employer-provided benefits cost the employer, on average, eight percent of total payroll. Legally-mandated benefits such as social security, unemployment insurance and worker's compensation cost the employer an average of nine percent of total payroll.



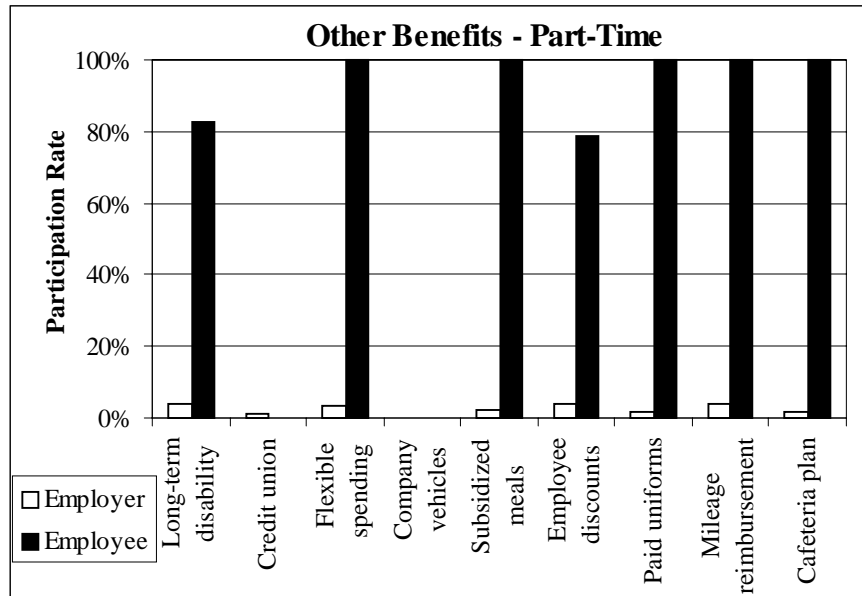
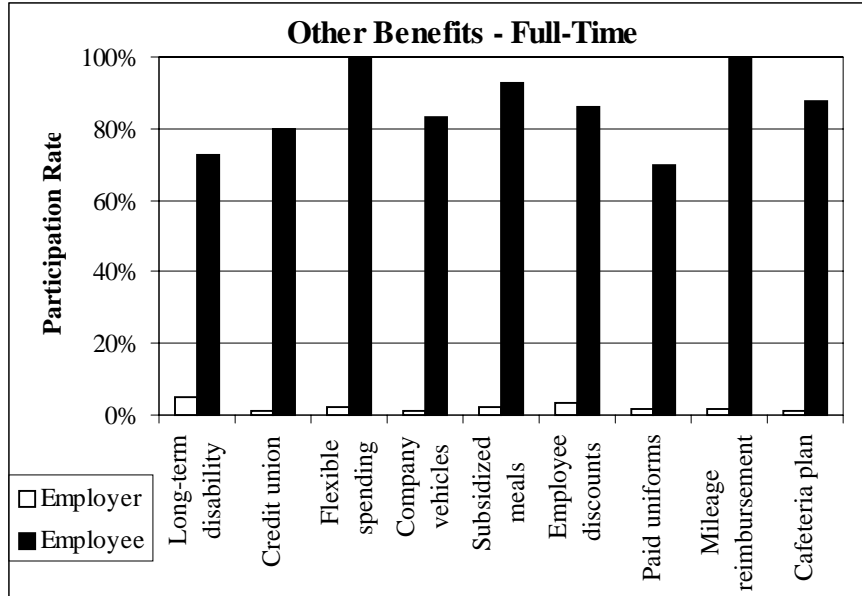
The table below shows the percent of employer compensation cost by components of compensation, for all workers in all private industries. This chart is based on information that the US Department of Labor gathered nationally. Benefit costs in New Mexico may vary from these figures.

Percent of employer compensation cost by components of compensation, all workers, all private establishments	
	1998
Total compensation	100
Wages and salaries	72.4
Benefits	27.7
Paid leave	6.6
Supplemental pay	2.6
Insurance	6.3
Retirement	3.8
Total legally required	8.2
Social Security/Medicare	5.8
Social Security	4.7
Medicare	1.2
Unemployment insurance	0.7
Workers compensation	1.8
Other	0.2

Source: Bureau of Labor Statistics, *Compensation and Working Conditions, Spring 1999*

OTHER BENEFITS

Other benefits that some employers listed include: long-term disability, credit union, flexible spending account, use of company vehicles, subsidized meals, employee discounts, paid uniforms, mileage reimbursement, and cafeteria plan.



Contact: Business Name: Address:	<h2 style="margin: 0;">Benefits Survey Form</h2> <p style="margin: 0;">New Mexico Department of</p> <h1 style="margin: 0;">LABOR</h1>	If you have questions about our survey please contact: Elisa Walker-Moran, (505) 841-8037 Economic Research and Analysis Bureau New Mexico Department of Labor
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	Full-Time Employees	Part-Time Employees
1. How many employees work in your company? (If you have no part-time employees there is no need to fill out the "Part-Time Employees" column for the questions below.)		
2. How many hours is the basic workweek for employees?		

PAID LEAVE

3. How many paid holidays does the employer provide per year?		
4. Does the employer offer a flexible paid time off program? Yes/No (If No then skip to 5.)		
4a. Please describe the program offered:		
4b. How many days off do employees accumulate per year after:		
1 year of service?		
3 years of service?		
5 years of service?		
10 years of service?		
20 years of service?		

5. How many days of sick leave are offered to employees per year?		
6. How many vacation days do employees earn per year after:		
1 year of service?		
3 years of service?		
5 years of service?		
10 years of service?		
20 years of service?		

7. Is sick leave and vacation combined? Yes/No		
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8. Does the employer offer personal leave for any of the following short-term needs? Paid/Unpaid/No		
Funeral		
Military service		
Doctor/dentist appointments		
Maternity leave		
Paternity leave		
Jury duty		
Other: (please specify)		

	Full-Time Employees	Part-Time Employees
EDUCATION AND TRAINING		
18. Is educational assistance offered to employees? Yes/No (If No then skip to 19.)		
18a. What types of educational assistance are available? (Please specify type of assistance)		
Job-related		
Non-job-related		
18b. Does the employer pay for short-term job training needs? Yes/No (Such as computer skills, professional development seminars, etc.)		
18c. What other types of educational assistance does the employer provide? (Please specify)		
18d. What type of tuition assistance does the employer offer?		
100% cost of course		
Based on course grade		
Based on seniority/years of service		
Other percentage of the cost of course (Please give percentage)		
FLEXIBLE WORK SCHEDULES		
19. Are employees offered flexible work schedules? Yes/No (If No then skip to 20.)		
19a. How many of your employees sometimes telecommute/work at home?		
19b. Is flextime offered? Yes/No		
19c. Can employees job share? Yes/No		
19d. Other: (Please specify)		
PAY INCREASES		
20. What types of pay increases are offered to employees?		
None		
Cost of living		
Merit		
Longevity		
Combination of above		
Other: (Please specify)		
MONETARY BONUSES		
21. What types of monetary bonuses are offered to employees?		
None		
Holiday		
Performance-based		
Longevity-base		
Other: (Please specify)		

