

## *Benefits and Beneficiaries Under Public Employee Retirement Systems, Fiscal Year 1991\**

The Federal Government, the 50 States, and many localities maintain programs that provide retirement, disability, and survivor benefits to their employees. In fiscal year 1991, the amount paid out in such benefits at all levels of government was \$96.2 billion, and the number of beneficiaries was 8.1 million (table 1). Federal retirement systems accounted for 59 percent of benefits paid in 1991, and for 48 percent of the beneficiaries (table 2).

The Civil Service Retirement System (CSRS) was the major program covering Federal civilian workers from 1920 through 1986. In that year Congress enacted the Federal Employees Retirement System (FERS), which covers all workers hired on or after January 1, 1984, and any workers previously covered by CSRS who elected to change their coverage. The majority of Federal civilian worker hired before the cutoff date have continued to be covered by CSRS.

The CSRS is separate from the Social Security system. Covered workers contribute a fixed percentage of their salary and receive benefits based on their earnings and length of service. In addition, since 1983 CSRS employees have been covered by (and contribute to) the Medicare program.

The FERS, on the other hand, was designed to coordinate with Social Security. Under FERS, workers contribute to the Social Security and Medicare programs on the same basis as workers in private employment, and they receive the same benefits. In addition, FERS employees contribute to a Federal pension that is paid in addition to Social

Table 1.—Benefits and beneficiaries under public employee retirement systems, by reason for benefit receipt, fiscal year 1991

System	Total	Age and service	Disability	Survivor <sup>1</sup> monthly	Lump sum
Benefits (in millions)					
Total <sup>2</sup> .....	\$96,235.2	\$79,198.3	\$8,731.3	\$8,224.0	79.8
Federal employee <sup>2</sup> .....	56,814.2	45,296.2	5,183.4	6,253.0	79.8
Civil Service .....	32,923.3	24,034.0	3,621.6	5,193.0	74.7
Armed Forces .....	22,766.2	20,268.4	1,497.4	1,000.4	...
Other Federal programs <sup>2</sup> .....	1,124.7	993.8	64.4	59.6	5.1
Contributory .....	489.1	438.5	17.2	30.0	3.4
Federal judiciary survivors <sup>3</sup> .....	5.3	...	...	5.3	...
Foreign Service .....	344.4	303.1	17.2	20.7	3.4
Tennessee Valley Authority .....	139.4	135.4	...	4.0	...
Noncontributory systems <sup>2</sup> .....	635.6	555.3	47.2	29.6	1.7
Coast Guard <sup>4</sup> .....	422.1	358.1	42.3	21.7	...
Federal judiciary <sup>5</sup> .....	25.0	25.0	...	...	...
Federal Reserve <sup>6</sup> .....	79.0	75.7	...	1.6	1.7
NOAA <sup>7</sup> .....	6.4	5.8	...	.6	...
Public Health Service <sup>8</sup> .....	101.3	90.7	4.9	5.7	...
State and local employees <sup>9</sup> .....	39,421.0	33,902.1	3,547.9	1,971.0	...
Beneficiaries at end of year (in thousands)					
Total <sup>2</sup> .....	8,091.2	6,252.4	735.6	1,103.2	...
Federal employees <sup>2</sup> .....	3,912.3	2,739.4	427.8	745.1	...
Civil Service .....	2,184.1	1,323.7	290.6	569.8	...
Armed Forces .....	1,667.9	1,364.1	131.9	171.9	...
Other Federal programs <sup>2</sup> .....	60.3	51.6	5.3	3.4	...
Contributory .....	20.7	15.9	1.4	3.4	...
Federal judiciary survivors <sup>3</sup> .....	.2	...	...	.2	...
Foreign Service .....	11.3	9.1	.4	1.8	...
Tennessee Valley Authority .....	9.2	6.8	1.0	1.4	...
Noncontributory systems <sup>2</sup> .....	39.6	35.7	3.9	...	...
Coast Guard <sup>4</sup> .....	26.8	20.0	3.7	3.1	...
Federal judiciary <sup>5</sup> .....	.3	.3	...	...	...
Federal Reserve <sup>6</sup> .....	14.2	12.8	...	1.4	...
NOAA <sup>7</sup> .....	.2	.15	...	.05	...
Public Health Service <sup>8</sup> .....	3.0	2.4	.2	.4	...
State and local employees <sup>9</sup> .....	4,178.9	3,513.0	307.8	358.1	...

<sup>1</sup> Unless otherwise specified, number of survivor beneficiaries represents number of individuals.

<sup>2</sup> Includes the Federal Tax Court retirement system, now shown separately.

<sup>3</sup> Excludes annuities to widows of Supreme Court justices.

<sup>4</sup> Includes Lighthouse Service widows.

<sup>5</sup> Supreme Court justices, their widows, and other Federal judges retired on salary.

<sup>6</sup> Lump-sum payments relate to the Federal Reserve Board only. Survivor benefits represent widows only.

<sup>7</sup> National Oceanic and Atmospheric Administration commissioned officers.

<sup>8</sup> Commissioned officers.

<sup>9</sup> Lump-sum data not available after 1988. Survivor beneficiaries represent payees.

\*Ann Kallman Bixby, Division of Program Analysis, Office of Research and Statistics, Social Security Administration.

Security benefits. The combined contribution rates of CSRS workers (for Federal pension and Medicare) and FERS workers (for Social Security, Federal pension, and Medicare) are the same—8.45 percent of salary.

Since 1957, all members of the Armed Forces have been covered by Social Security. Career service personnel—those with 20 or more years of service—are also covered by the military retirement system. This system pays retirement and disability benefits, and contains a provision that permits an employee the option of receiving reduced retired pay in exchange for a survivor's benefit for his or her spouse.

In contrast to the few large Federal programs, State and local governments operate some 2,362 separate retirement systems, with a combined membership of 13.3 million. The average annual benefit amounts under these systems are considerably lower than under the Federal ones (table 3). One of the reasons for this is that State and local systems are typically designed to supplement Social Security, while the CSRS and most small Federal systems replace it. Also, only about one-half of the State and local systems have provisions for automatic cost-of-living increases, while all Federal systems are indexed for inflation.

Information on the benefits and beneficiaries of State and local retirement systems was taken from the Bureau of the Census publication *Finances of Employee-Retirement Systems of State and Local Governments: 1990-91*, published in January 1994. These systems report data for their financial year "ending between July 1, 1990 and June 30, 1991." They are therefore not exactly comparable to the fiscal year figures reported by the Federal systems, which cover the period from October 1, 1990 to September 30, 1991. Federal data were taken from re-ports of the administering agencies and from the *Budget of the U.S. Government*.

Table 2.—Percentage distribution of benefits and beneficiaries under public employee retirement systems, by reason for benefit receipt and level of administering government, selected fiscal years 1980-91

Reason for receipt and level of government	1980	1985	1990	1991	Reason for receipt and level of government	1980	1985	1990	1991
	Reason for receipt					Level of government			
Benefits, total .....	100	100	100	100	Benefits, total .....	100	100	100	100
Age and service .....	80	80	80	82	Federal .....	68	65	60	59
Disability .....	12	12	11	9	Civil Service .....	37	36	35	34
Survivor:					Armed Forces .....	30	28	24	24
Monthly benefits .....	7	7	8	9	Other .....	1	1	1	1
Lump-sum benefits .....	1	1	0	0	State and local .....	32	35	40	41
Beneficiaries, total .....	100	100	100	100	Beneficiaries, total .....	100	100	100	100
Age and service .....	74	76	79	77	Federal .....	52	51	49	48
Disability .....	12	11	8	9	Civil Service .....	29	28	27	27
Survivor monthly benefits .....	14	13	13	14	Armed Forces .....	23	22	21	20
					Other .....	1	1	1	1
					State and local .....	48	49	51	52

Table 3.—Average annual benefit amounts, by reason for benefit receipt and level of government, selected years 1981-91

Reason for receipt	Constant dollars				Constant (1991) dollars			
	1981	1989	1990	1991	1981	1989	1990	1991
All public systems, total .....	\$7,774	\$10,821	\$11,330	\$11,877	\$11,981	\$11,870	\$11,823	\$11,877
Age and service .....	8,314	10,472	11,572	12,667	12,813	11,488	12,076	12,667
Disability .....	8,280	12,297	15,493	11,870	12,761	13,490	16,167	11,870
Survivor (monthly) .....	4,274	6,750	7,196	7,421	6,587	7,405	7,509	7,421
Federal systems .....	9,953	13,285	13,843	14,483	15	14,573	14,445	14,483
Age and service .....	11,468	14,354	14,894	16,535	18	15,746	15,542	16,535
Disability .....	9,058	16,103	17,652	12,116	13,960	17,665	18,420	12,116
Survivor (monthly) .....	4,812	7,420	7,685	8,337	7,416	8,140	8,019	8,337
State and local systems .....	5,228	8,437	8,933	9,433	8,057	9,255	9,322	9,433
Age and service .....	5,331	8,614	9,035	9,650	8,216	9,449	9,428	9,650
Disability .....	6,507	10,249	11,267	11,527	10,028	11,243	11,757	11,527
Survivor (monthly) .....	3,094	5,241	6,007	5,504	4,768	5,749	6,268	5,504