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Employer-Sponsored Benefits Extended to Domestic Partners

Abstract

[Excerpt] As varied family structures become more common and marriage laws change, employers may have to revise their benefits offerings. For some employees, health benefits can extend beyond a spouse to same-sex or opposite-sex domestic partners. Similarly, some employees covered by defined-benefit pension plans can have survivor protections extended to domestic partners. BLS will continue to monitor these and other developments as access to employee benefits continues to evolve.

Keywords

employee benefits, domestic partnerships, health benefits, survivor protections

Comments

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Employer-sponsored benefits extended to domestic partners

By Elizabeth Ashack

As part of compensation packages offered to employees, it is common for employers to extend certain benefits to an employee's family members. For example, employment-based health benefits typically include insurance coverage for the family, and traditional (defined-benefit) pension plans provide survivor benefits to spouses of married employees. As employers recognize different family structures, many have adapted by offering similar benefits to employees who have varied family units. For example, employers often vary employee contributions for health benefits based on family makeup by identifying different contribution amounts for married employees with children and for single employees with children. New data provide a picture of how frequently certain benefits are extended to unmarried opposite-sex and unmarried same-sex partners. For example, 72 percent of civilian workers had access to employment-based health benefits in March 2013, with nearly all the employers extending these benefits to spouses and children, but only 32 percent of civilian workers had health benefits extended to unmarried same-sex domestic partners and 26 percent had benefits extended to unmarried opposite-sex domestic partners.¹



The BLS National Compensation Survey (NCS) publishes data annually on the availability of employee benefits, such as health care and retirement plans, and has expanded the scope of the survey to capture data on the availability of health care benefits and defined-benefit pension survivor benefits for unmarried opposite-sex and same-sex partners. This issue of **Beyond the Numbers** looks at the frequency with which health and defined-benefit plans are available to unmarried opposite-sex and same-sex domestic partners. The availability of benefits is referred to as access to benefits and in these data it is expressed as (1) the percentage of workers whose employers extend benefits to certain family members, and (2) the percentage of workers covered by a plan that allows benefits to be extended to certain family members. These data focus on whether benefits are available to unmarried family members (not whether they make use of the benefits); the survey does not include a question about the number of family members nor does it inquire about family relationships.

Data are from *Employee Benefits in the United States, March 2013*, found online at www.bls.gov/ebs. In addition to the previously published estimates based on all workers, this analysis includes previously unpublished data (see table 2) on workers with access to health and defined-benefit plans.

Health benefits

In March 2013, 72 percent of civilian workers had access to employment-based health benefits, and nearly all had such benefits extended to married spouses and children, with the employee having the option to select various levels of health care plan coverage (e.g. single, single plus one, family). However, health benefit access for unmarried same-sex or opposite-sex partners was available less than half as often. NCS data show that 32 percent of workers had access to health benefits that could be extended to unmarried same-sex partners and 26 percent had access that could be extended to opposite-sex partners. (See table 1.)

Table 1

Table 1. Percentage of civilian workers by access to defined-benefit pension and health benefits and coverage for certain family members, by selected characteristics, March 2013

(All workers = 100 percent)

Selected characteristic	Defined-benefit pension benefits			Health benefits		
	Survivor benefits available to spouse	Survivor benefits available to unmarried same-sex partners	Survivor benefits available to unmarried opposite-sex partners	Benefits generally available to spouse	Benefits available to unmarried same-sex partners	Benefits available to unmarried opposite-sex partners
Worker characteristic						
All workers	28	15	14	72	32	26
Management, professional, and related	43	24	23	88	44	36
Service	17	9	8	47	20	16
Sales and office	23	13	13	73	32	28
Natural resources, construction, and maintenance	30	12	12	79	26	21
Production, transportation, and material moving	26	10	9	76	27	23
Full time	34	18	17	88	38	32
Part time	12	6	6	24	12	10
Union	83	39	37	95	51	40
Nonunion	19	11	11	69	28	24
Average wage within the following categories:(1)						
Lowest 10th percentile	5	2	2	21	7	6
Highest 10th percentile	50	28	26	95	60	49

(All workers = 100 percent)

Selected characteristic	Defined-benefit pension benefits			Health benefits		
	Survivor benefits available to spouse	Survivor benefits available to unmarried same-sex partners	Survivor benefits available to unmarried opposite-sex partners	Benefits generally available to spouse	Benefits available to unmarried same-sex partners	Benefits available to unmarried opposite-sex partners
Establishment characteristic						
Goods-producing industries	25	7	6	86	29	25
Service-providing industries	29	16	16	70	32	27
1 to 99 workers	10	5	5	58	20	18
500 workers or more	62	34	32	89	50	38
Geographic area						
New England	29	13	12	73	39	33
East North Central	31	7	6	74	22	14
East South Central	31	19	19	77	17	13
Pacific	30	23	23	71	58	54

Footnotes:

(1) The categories are based on the average wage for each occupation surveyed, which may include workers with earnings both above and below the threshold.

Note: This table includes workers in the private nonfarm economy, except those in private households, and workers in the public sector, except the federal government.

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

The availability of health benefits that are extended to an employee’s domestic partner varied by selected workers characteristics. Nearly four in ten full-time workers had access to health benefits for same-sex domestic partners compared with 12 percent of part-time workers. Health benefit access for same-sex domestic partners was more common for employees with higher wages (60 percent of those workers in the highest 10th percentile of wages had access extended to same-sex domestic partners) than for employees with lower wages (7 percent of those in the lowest 10th percentile of wages). These differences in the availability of benefits for domestic partners are due in large part to varying rates of access to health benefits in general, as discussed later in the article.

Unionization was another factor that seemed to influence the availability of domestic partner benefits. For those workers covered by a collective bargaining agreement, 51 percent were offered health benefits that could be extended to same-sex domestic partners. In contrast, for those workers who were not covered by a collective bargaining agreement, only 28 percent had a plan that extended benefits to same-sex partners. Similar differences are evident among larger (those

employing 500 workers or more) and smaller (those employing fewer than 100 workers) establishments, with larger establishments providing greater access to health benefits that can be extended to domestic partners.

Although the survey data provide limited geographic detail, they show that access to benefits varied by census divisions (which are used in the survey to separate geographical regions). The Pacific division (Washington, Oregon, California, Alaska, and Hawaii) offers health benefits that are extended to same-sex domestic partners more frequently than other areas. In March 2013, 58 percent of workers in the Pacific division were offered health benefits that could be extended to same-sex domestic partners, compared with only 17 percent in the East South Central division (Alabama, Kentucky, Mississippi, and Tennessee).

Comparing the survey data by industry sector shows little difference in the availability of benefits to domestic partners from one sector to another. For example, 29 percent of employees in goods-producing industries, such as manufacturing, had access to health benefits that could be extended to same-sex domestic partners, a value slightly lower than the 32 percent of those working in service-providing industries, such as finance, who had the option of extending benefits to domestic partners.

In large part, the difference in the availability of health benefits that can be extended to domestic partners from one group to another is a reflection of access to health benefits in general. Another way to view the issue is to consider the availability of domestic partner benefits as a percentage of those workers who have access to the benefit. For example, 43 percent of full-time workers who have access to a health plan have the option to obtain coverage for their same-sex partner, nearly identical to the 42 percent of part-time workers with access to a health plan with benefits available to a same-sex partner. (See table 2 and chart 1.)

Table 2

Table 2. Percentage of civilian workers with access to defined-benefit pension and health benefits, by coverage for certain family members, by selected characteristics, March 2013

(All workers = 100 percent)

Selected characteristic	Defined-benefit pension benefits			Health benefits		
	Survivor benefits available to spouse	Survivor benefits available to unmarried same-sex partners	Survivor benefits available to unmarried opposite-sex partners	Benefits generally available to spouse	Benefits available to unmarried same-sex partners	Benefits available to unmarried opposite-sex partners
Worker characteristic						
All workers	100	49	47	100	43	36
Management, professional, and related	100	53	51	100	49	40
Service	100	48	47	100	41	32
Sales and office	100	52	51	100	42	37
Natural resources, construction, and maintenance	100	39	37	100	32	26
Production, transportation, and material moving	100	36	32	100	35	30
Full time	100	49	47	100	43	36
Part time	100	45	45	100	42	34
Union	100	46	43	100	53	42
Nonunion	100	51	50	100	40	34
Average wage within the following categories:(1)						
Lowest 10th percentile	100	30	30	100	28	22
Highest 10th percentile	100	54	50	100	63	51

(All workers = 100 percent)

Selected characteristic	Defined-benefit pension benefits			Health benefits		
	Survivor benefits available to spouse	Survivor benefits available to unmarried same-sex partners	Survivor benefits available to unmarried opposite-sex partners	Benefits generally available to spouse	Benefits available to unmarried same-sex partners	Benefits available to unmarried opposite-sex partners
Establishment characteristic						
Goods-producing industries	100	23	19	100	34	29
Service-providing industries	100	53	51	100	44	37
1 to 99 workers	100	42	41	100	33	30
500 workers or more	100	53	50	100	55	42
Geographic area						
New England	100	37	33	100	53	44
East North Central	100	23	18	100	29	19
East South Central	100	58	59	100	22	17
Pacific	100	72	71	100	79	74

Footnotes:

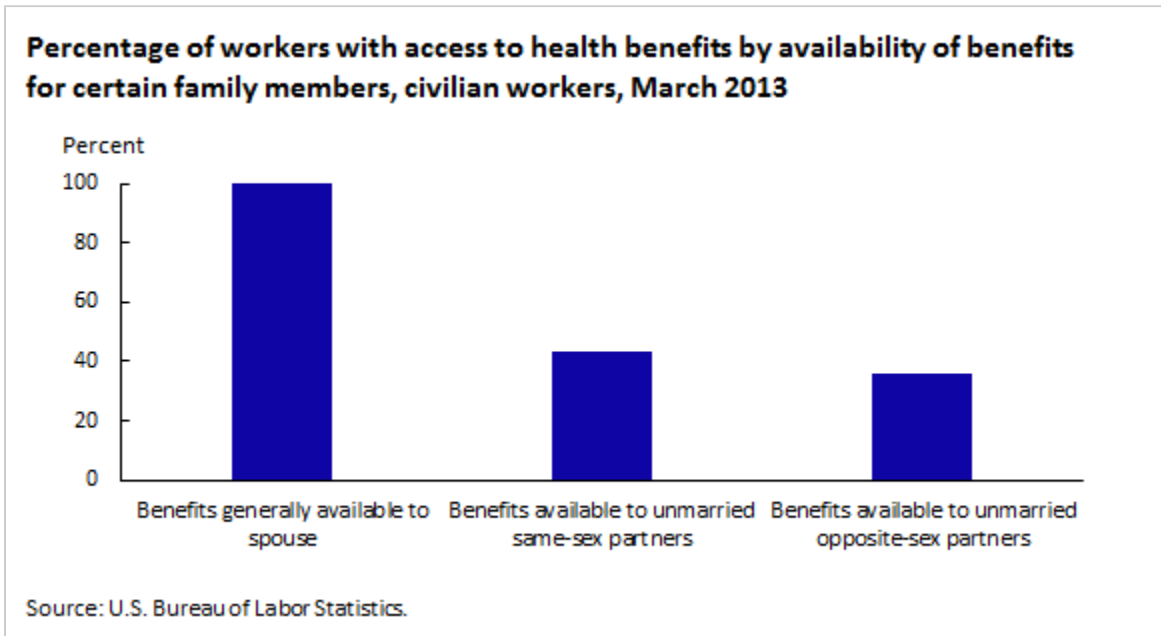
(1) The categories are based on the average wage for each occupation surveyed, which may include workers with earnings both above and below the threshold.

Notes: (1) All data in table 2 are previously unpublished. (2) This table includes workers in the private nonfarm economy, except those in private households, and workers in the public sector, except the federal government.

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

Many of the comparisons so far in this article use the data for unmarried same-sex partners, but the data for unmarried opposite-sex partners reflect similar trends. For example, full-time workers have greater access to health benefits that can be extended to unmarried opposite-sex partners than do part-time workers, but this is largely a reflection of greater access to health benefits in general. But benefits are extended to unmarried same-sex partners slightly more often (typically by a few percentage points) than to unmarried opposite-sex partners, perhaps reflecting the fact that marriage is available to all opposite-sex couples but not to all same-sex couples.

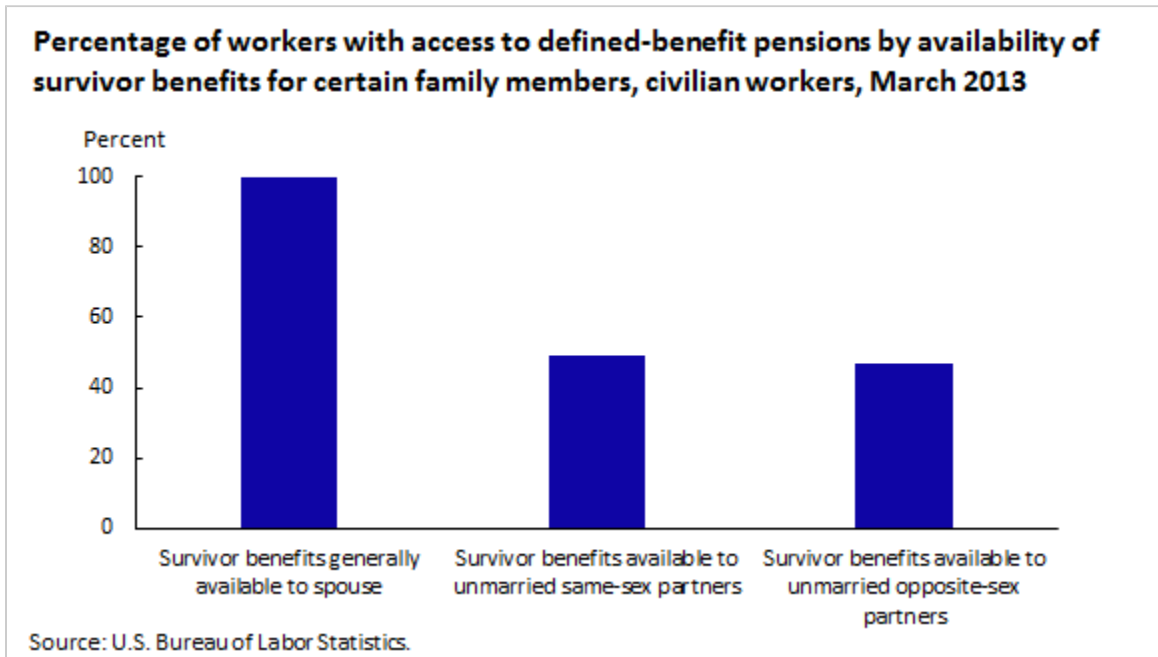
chart 1



Defined-benefit pension plans with survivor benefits

Giving workers a defined-benefit pension plan can act as a retention strategy or as a recruiting tool for employers. Once an employee has retired, defined-benefit plans provide for periodic payments for the life of the employee, and the default form of payment (known as a *joint-and-survivor annuity*) must provide for the continuation of periodic benefits to the employee's spouse (unless such benefits are declined by both spouses). Typically, married employees receive a reduced periodic benefit if they opt for a surviving spouse benefit; however, the spouse benefit can be no less than 50 percent of the employee's benefit and many plans allow the employee and spouse to choose among higher levels of a spouse benefit. Survivor benefits are much more limited for same-sex and opposite-sex unmarried partners. (See chart 2.)

chart 2



In March 2013, 28 percent of civilian workers had access to a defined-benefit pension plan. All of these workers could extend survivor benefits to a spouse. In contrast, 15 percent of workers had access to a defined-benefit plan that allowed the employee to designate a same-sex domestic partner as the beneficiary of survivor benefits. Similarly, 14 percent of workers had access to a plan that provided survivor benefits to opposite-sex unmarried employees. (See table 1.)

Access to defined-benefit plans that allow employees to designate domestic partners for survivor benefits was similar to the access to health benefits in that it varied by worker group. Among those covered under a collective bargaining agreement, 39 percent had access to a pension with survivor benefits available to unmarried same-sex partners. The comparable number for those not covered by a collective bargaining agreement was 11 percent. Variations also existed among full-time and part-time workers and among low-wage and high-wage workers.

Among goods-producing industries, such as manufacturing, 7 percent of workers had access to a pension plan that extended survivor benefits to domestic partners. In service-providing industries, such as finance, the comparable figure was 16 percent. Larger establishments more often provided access to defined benefit plans with domestic partner benefits (34 percent) than did smaller establishments (5 percent).

Whether you have a pension plan available often depends on where you live. In March 2013, 23 percent of workers in the Pacific division had access to a pension with survivor benefits for same-sex couples. In the East North Central division (Illinois, Indiana, Michigan, Ohio, and Wisconsin), 7 percent of workers had such access.

As was the case with availability of health benefits for domestic partners, much of the difference in the availability of survivor benefits for domestic partners was due to differences in the availability of any defined-benefit pension plan. In fact, for those workers with a pension plan, the availability of survivor benefits for domestic partners varied little if at all in certain categories, such as union and nonunion (46 and 51 percent, respectively) and full time and part time (49 and 45 percent, respectively). (See table 2.)

There was also little variation in the availability of pension survivor benefits for unmarried couples of the same sex or of the opposite sex. Among all civilian workers, 15 percent had access to a defined-benefit plan with survivor benefits extended

to unmarried same-sex partners while 14 percent had access to a plan with survivor benefits extended to unmarried opposite-sex partners.

Conclusion

As varied family structures become more common and marriage laws change, employers may have to revise their benefits offerings. For some employees, health benefits can extend beyond a spouse to same-sex or opposite-sex domestic partners. Similarly, some employees covered by defined-benefit pension plans can have survivor protections extended to domestic partners. BLS will continue to monitor these and other developments as access to employee benefits continues to evolve.

For more data on health and defined-benefit retirement benefits, and the availability of these benefits for unmarried same-sex and opposite-sex partners, please visit *the National Compensation Survey, Employee Benefits in the United States, March 2013*, available online at http://www.bls.gov/ncs/ebs/benefits/2013/benefits_other.htm.

*This **Beyond the Numbers** summary was prepared by Elizabeth Ashack, economist in the Office of Compensation and Working Conditions, U.S. Bureau of Labor Statistics. Email: ashack.elizabeth@bls.gov. Telephone: 202-691-5178.*

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NOTES

¹ Although BLS has not published data on the extent to which employers are limiting their health benefits to employees, excluding spouses, children, or both, a review of unweighted data indicates that fewer than 1 percent of workers with health benefits have such exclusions.

SUGGESTED CITATION

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