

Appendix 24

**National Longitudinal Surveys:
Survey of Mature Women 30-44 in 1967
Pension Data Documentation**

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Appendix 24 for Mature Women: Pension Update

One tool available to researchers is the Mature Women's Pension Calculator, a personal computer program designed to assist users interested in retirement and pension issues. In 1989, the National Longitudinal Survey of Mature Women asked respondents about the most important pensions for themselves and their husbands. Using information gathered from the respondents on the names and addresses of the companies providing their pensions, Census Bureau staff members were able to collect pension plan descriptions directly from employers and from files maintained by the U.S. Department of Labor. These pension descriptions contain the formulas for calculating benefits for workers at different ages and with various years of service with the firm. The descriptions also stipulate the requirements for collecting benefits under any particular pension formula. Staff members at the Survey Research Center, University of Michigan, then coded this information into a standardized format to drive the pension calculator program.

The pension calculator computes how much money mature women respondents will receive in benefits upon retiring. This program can produce several different types of information. First, it can generate an output file which users can merge with information from the main mature women data file. This file contains a number of variables, available in three different output formats, regarding the amount of money the respondent will receive from each pension plan and from Social Security upon retirement. Researchers can vary the respondent's retirement age to see how yearly benefit amounts are affected. Second, the pension file also generates information which can be used on its own to run simulation exercises. For example, researchers can investigate issues such as what happens to pension values and monthly payments when inflation rates change.

For each method, the user provides as input a parameter file containing key assumptions about the economy, such as the inflation rate and real wage growth. By varying these key factors, users can simulate how a variety of macro-economic changes will affect the income of retirees.

This project was managed by Professor Tom Steinmeier of Texas Tech, and the software was produced by the University of Michigan. The pension program and documentation run on IBM PCs using the DOS operating system. System requirements are relatively minimal. Users need an Intel 486DX or compatible CPU, about 13.25 megabytes of available system memory, and approximately 10 megabytes of free disk space. To obtain the pension program and accompanying documentation, interested users should contact NLS User Services at usersvc@postoffice.chrr.ohio-state.edu or (614) 442-7300.

1992 Pension Questions: The 1992 data collection featured an expanded pension section which provides the researcher with greater detail on the pension coverage of a respondent's household. This series supplements the 1989 "most important" pension plan data collection and updates the pension expectations and pension eligibility questions which were administered to this cohort beginning in the early 1980s.

The 1992 questionnaire gathered detailed information on multiple pension plans in which the respondent and/or her spouse were participating. This series collected information on both pensions for which the respondent and her spouse would be eligible in the future and pension plans that were contributing to the family income at the time of the survey.

Information was gathered on the respondent's participation in up to four defined benefit and/or defined contribution pension plans offered by an employer. For those participating in a defined benefit plan, information was collected on the number of years included in the plan, the amount of money contributed, age at which full or reduced benefits would be (were being) received, and expected (actual) benefit amounts at retirement. For those participating in a defined contribution plan, information was gathered on the type(s) of account plan, amounts both employer and respondent contribute, total dollar amount of contributions ever made and how the moneys were invested. All pension plan participants were asked whether an early retirement option with incentives had been offered and if it had, the type of option, e.g., credit for extra years of service, increased benefits, early benefits, lump sum settlement.

Pension Matching Project. To provide more detail on the pensions identified by the NLS questions an attempt was made to match respondent information with employer data.

During 1991 and 1992, Summary Plan Descriptions (SPDs) of U.S. employers were collected by the Bureau of the Census from those providers identified during the 1989 survey and forwarded to the Institute for Social Research (ISR), University of Michigan, where details on each defined benefit and/or defined contribution plan were systematically coded using the protocol developed for the pension data collections of the *Survey of Consumer Finances (SCF)*. The *SCF*-based instruments recorded specific information on plan definitions, various benefit formulas, and other provisions applicable to the following six different retirement conditions: early retirement, normal retirement, late retirement, employment termination prior to retirement, disability retirement, and death or survivor's benefits.

Respondents eligible for the pension-matching project were those who provided pension plan, pension provider locator, and occupational information for:

- (1) The pension plan for which they were eligible through their own employment (if NLS question R 9812.00 is coded 1 or R 9813.00 is coded 1 or is coded -1).

- (2) The pension plan for which a married or separated respondent's spouse was eligible through his own employment (R 9846.00 is coded 1 or R 9847.00 is coded 1 or is coded -1).
- (3) Those respondents of any marital status except "never married" who were eligible for any other benefit from the employment or military service of a spouse (or deceased/ex-spouse) (R 9880.00 is coded 1 or is coded -1 or R 9886.00 GE 1).

Ambiguous Matches. Assignment of 229 cases reflecting both respondent and spousal coverage was not made by Michigan due to missing information on either date of hire, coverage by Social Security, or contribution requirements. These 229 cases were then reexamined by CHRR and all of them were assigned one or more ID numbers. This section describes which cases were ambiguous and how these cases were handled.

Cases ID's = 245, 719, 1761, 2031, 3397, 3956, 3968, and 3969 each had a unique problem which was resolved by checking supplemental data in the main file. The following is a list of the case ID's of respondents who were working/had worked for the federal government as a civilian employee and were assigned a plan ID number(s) at CHRR.

Id's Of Pension Plan Respondents Who Were Assigned ISR Numbers At CHRR:

0040	0057	0085	0097	0149	0165	0224
0228	0253	0266	0298	0299	0348	0363
0363	0419	0464	0546	0626	0665	0675
0786	0794	0863	0884	0947	1038	1186
1194	1214	1249	1274	1272	1297	1336
1347	1364	1418	1463	1475	1489	1547
1591	1591	1594	1603	1617	1612	1666
1675	1702	1755	1766	1790	1841	1887
1895	1904	1904	1923	1936	2004	2152
2192	2221	2233	2251	2297	2367	2374
2415	2433	2488	2589	2587	2583	2586
2600	2603	2631	2682	2682	2707	2710
2711	2739	2762	2772	2772	2776	2775
2779	2787	2781	2795	2791	2790	2795
2790	2846	2853	2858	2868	2886	2901
2945	2996	2993	2998	3001	3004	3004
3007	3007	3009	3018	3026	3032	3034
3037	3065	3061	3061	3088	3223	3281
3283	3314	3375	3382	3396	3408	3401
3411	3443	3440	3449	3451	3462	3473
3594	3598	3603	3604	3612	3623	3654
3665	3708	3704	3755	3763	3789	3796
3831	3852	3866	3872	3889	3890	3901
3923	3938	3938	3954	3964	3964	4020

4049	4106	4134	4130	4149	4150	4178
4185	4186	4203	4209	4205	4215	4213
4226	4245	4256	4251	4257	4260	4279
4271	4272	4288	4289	4347	4349	4342
4343	4361	4497	4530	4530	4545	4565
4562	4685	4688	4700	4717	4726	4734
4796	4848	4935	4968	4977	4983	5002
5034	5050					

These above respondents were ambiguous because the federal government changed their pension plan system in 1984. New hires after 1984 had to be under the new plans 538 and 3258; however, anyone who was already working there could choose to go under either system and could be either under plan 537 or plans 538 and 3258. The task at CHRR was to figure out which they chose, so that the proper plan number(s) could be assigned. Due to the age of the women and the fact that most women marry men who are close to their own age or older, most of these R/H were in the group that could choose. But they were also in the group less likely to benefit by going to the new plan.

The algorithm used by CHRR in these ambiguous cases was to look at characteristics of the 1989 plan by linking them to the 1992 plan descriptions in order to determine the likelihood of the R and/or her husband being under the pre 1984 plan or the post 1984 plans.

Since it was impossible to know from the NLS questions exactly which federal government plan was chosen CHRR decided to create a corresponding "certainty" variable for each case. There are three certainty variables, one for each plan ID we assigned. Each has a title "ISR Pension Plan Matching Procedure - # x Plan - OSU Matching Certainty, 89." The categories for each variable will be

- "1" Certain Match
- "2" Near Certain Match
- "3" Probable Match"
- "4" Default to pre 1984 plan based on age of source of pension."

The code for certain match means that there was a consistent pattern of agreement across the years and within the year. The code for near certain match means that there were fewer items to base a decision and/or one piece of information was inconsistent with the other items. The code for probable match means less information and more inconsistency. The last code is for those situation in which the only information came from the 1989 survey and the assignment to the earlier plan was based on the age of the person who was covered by the plan.

For the 31 cases where the plan can be a second plan of the first spouse or the plan of an ex or deceased spouse we started by looking at the respondent's marital history record. In the end it was easy to resolve most of these cases because the death took place before 1984 or

the pension was received before 1984. For the respondents who were interviewed in 1992, but Census could not make a match between the 1989 and 1992 employers we could usually make our own match based on the class of worker.

If we were reasonably sure that we found the column which describes the pension in question, we checked the questions that should distinguish between the two alternatives. If there was still uncertainty after looking at the plan characteristics, but the person started working in government before 1975 we assigned them to the old plan and probable match. We know that if they started working at the job before 1984 that they had a choice between staying with the old plan or going to the new plans. We know that if they started working at the job after 1984 they had to be under the new plans. We know that the longer the person had worked before this point and the sooner that they planned to retire the less incentive there was to switch.

The archivists assumed that R/Hs who started receiving a pension from the Federal government before 1984 were always under the old plan, the archivists also assumed that a widow whose spouse had died before 1984 was also under the old plan. When the plan came from the current job for either the R and/or her husband we had the information on social security coverage. If they are covered by social security then they are under the new plan, if they are not covered by social security then they are under the old plan. We looked at the type of plan in both 1989 and 1992, if the answer was only defined contribution it was the new plan, if the answer was only defined benefit then we assumed it was the old plan. If there was any indication that a contribution was made to the plan then they had to be under the new plan because under the old plan there was no contribution on the employee's part.

1989-1992 Employer Match Variables. The Census Bureau, during preparation and cleaning of the Mature Women's 1992 data, also created a series of pension employer comparison variables. These variables provide information on whether it was possible to match employer names across the 1989 and 1992 survey years and if it was, the degree of certainty, i.e., probable match, definite match, that Census coders determined was present.

The names of those employers identified during the 1989 interviews as a pension plan provider for either the respondent or, if married, her spouse were systematically compared to each of the up to nine employers identified during the 1992 data collection. Match codes were assigned to those respondents who had provided employer names at the two survey points. Spousal employer matches were only made if the respondent was married to the same husband at both interviews.

The twenty-two 1989 to 1992 employer match variables are documented within the 1989 "Retirement and Pensions" variable series. All variables from the respondent match series appear below. Each variable title references the 1989 household member whose employment provided the pension and the question numbers from the 1989 and 1992 instruments that provided the employer names. For example, R 9814.08 provides

information on whether or not the employer identified during the 1989 interview as providing the most important pension from the respondent's own employment, i.e., the employer specified in question 79D, was matched to one of the employers identified during the 1992 interview as the provider of a future pension to the respondent, i.e., the first employer specified in the 96A question series.

DATA FILES

Old Style (Prior to 1996)

The pension data consists of 5 files provided by CHRR on either tape or floppy. The three files that provided the crosswalk between the 67-89 main file and the ISR pension file are no longer necessary since the variables necessary to identify a particular plan have been moved to the 67-92 main file. The other two files are now on the CD as separate files.

1. ISR pension dictionary (pension.dic)
2. The ISR pension data file of 815 pension plans (pension.asc), an ASCII file with logical record length = 19249

New Style (1996 and beyond). Beginning with the 1992 Mature Women data release on compact disc in the summer of 1996 the pension variables are now available bundled with the rest of the NLS data.

The detailed pension plan characteristic data are now available as one ASCII file on the compact disc. Those variables that link a household member who is covered under a specific pension plan to the detailed plan information have been merged with the longitudinal data on each respondent.

The ISR pension data file contains a pension plan number, sequence number, and the detailed plan characteristic information listed above for each of the 815 plans coded by the University of Michigan. The crosswalk information needed to identify a particular plan is included in the data file.

CODING ID#: the unique number assigned by ISR to each pension plan. Incorporated within the plan number is information on the type of pension plan. Plans with ID#s below 3000 are defined benefit plans; those with ID#s from 3000-4999 are defined contribution plans; and those with ID#s 5000 and

over are combination defined benefit and defined contribution plans.

- SEQ#: the unique number identifying the pension plan/provider combination
- PPID#: the identification number of the pension provider. Identical numbers mean the same pension provider; however, different numbers do not necessarily mean different providers.
- PLAN#: a identification number of the pension plan or plans reviewed. The 997/998/999 series indicates that multiple plans from the same provider were examined.
- HHID#: the identification number of the individual(s) covered under the pension plan. Each individual in a household has been assigned a different HHID#. A given plan can have up to 52 eligible individuals.
- OTHER HHID#: the SEQ# of another plan under which the same individual is covered
- INTEG HHID#: the SEQ# of the plan containing information on how benefits are integrated for this individual

General Plan Provisions (including the source of the SPD)

- Defined Benefit Plans: Variable Definitions
- Defined Benefit Plans: Benefit Formulas
- Defined Benefit Plans: Eligibility
- Defined Benefit Plans: Special Features
- Defined Contribution Plans: General
- Defined Contribution Plans: Participant Contributions
- Defined Contribution Plans: Employer Contributions
- Defined Contribution Plans: Retirement Benefits
- Defined Contribution Plans: Early and Late Retirement
- Defined Contribution Plans: Disability, Death & Survivor Benefits
- Defined Contribution Plans: Payment Options
- Defined Contribution Plans: Classification and Miscellaneous Provisions

ISR Documentation. In addition to this appendix and the codebook information, the supplemental pension plan data are documented with the following ISR-produced materials. These four documents which are needed to use the data in the pension file are over 300

pages long and are available at cost from the Center for Human Resource Research upon request.

- (1) Overview: a description of the Survey of *Consumer Finances* including a helpful list of acronyms and definitions of some of the more commonly used terms found within both the ISR and NLS coding documents.
- (2) A Coding Reference Manual: the document that contains instructions to coders of the NLS Pension Coding Instruments.
- (3) Pension Coding Instruments - Parts I, II, and III: copies of the three coding instruments that were used to record, from each SPD, General Plan Provision items (Part I), Defined Benefit Pension Plan items (Part II), and Defined Contribution Pension Plan items (Part III) of the NLS pension plans.
- (4) Pension Provider Coding Sheets: a summary instrument which combined the characteristics of each plan with identification of each household eligible for that plan.

Other Information:

BLS has awarded funding to the National Bureau of Economic Research and a team of investigators to evaluate the quality of the Mature Women pension plan data. The pension entitlement estimation software originally developed by the University of Michigan for use with the Survey of Consumer Finances is being modified and will be used to generate an array of computed pension plan entitlement amounts that will be released with a future round of the Mature Women data. Completion of this project which includes four other analytical studies based on data from the NLS of Mature Women, NLSY79, NLS of Young Women and the Panel Study of Income Dynamics is scheduled for 1998.

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Below are some of the codebook titles from the 1992 Mature Women's CD-ROM that document some of the pension variables of interest.

These are the variables needed to do the crosswalk to the ISR pension data file. The combination of the coding ID and SEQ # from the main file matched with the coding ID and SEQ # on the ISR file identifies the pension plan of the R and/or her current, deceased, or ex- spouse.

Titles and R numbers of other pension questions of interest.

- 9811.10 ISR PENSION PLAN MATCHING - #1 PLAN - CODING ID (PLAN2), 89
- 9811.13 ISR PENSION PLAN MATCHING - #1 PLAN - SEQ # (PLAN2), 89
- 9811.14 ISR PENSION PLAN MATCHING - #1 PLAN - OSU MATCHING CERTAINTY, 89
- 9811.16 ISR PENSION PLAN MATCHING - #1 PLAN - WHOSE PLAN? (COVER2), 89
- 9811.18 ISR PENSION PLAN MATCHING - #1 PLAN - ISR R'S IDENTIFICATION # (HHID2), 89

- 9811.20 ISR PENSION PLAN MATCHING - #2 PLAN - CODING ID (PLAN2), 89
- 9811.23 ISR PENSION PLAN MATCHING - #2 PLAN - SEQ # (PLAN2), 89
- 9811.24 ISR PENSION PLAN MATCHING - #2 PLAN - OSU MATCHING CERTAINTY, 89
- 9811.26 ISR PENSION PLAN MATCHING - #2 PLAN - WHOSE PLAN? (COVER2), 89
- 9811.28 ISR PENSION PLAN MATCHING - #2 PLAN - ISR R'S IDENTIFICATION # (HHID2), 89

- 9811.30 ISR PENSION PLAN MATCHING - #3 PLAN - CODING ID (PLAN3), 89
- 9811.33 ISR PENSION PLAN MATCHING - #3 PLAN - SEQ # (PLAN3), 89
- 9811.34 ISR PENSION PLAN MATCHING - #3 PLAN - OSU MATCHING CERTAINTY, 89
- 9811.36 ISR PENSION PLAN MATCHING - #3 PLAN - WHOSE PLAN? (COVER3), 89
- 9811.38 ISR PENSION PLAN MATCHING - #3 PLAN - ISR R'S IDENTIFICATION # (HHID3), 89

- 9811.40 ISR PENSION PLAN MATCHING - #4 PLAN - CODING ID (PLAN4), 89
- 9811.43 ISR PENSION PLAN MATCHING - #4 PLAN - SEQ # (PLAN4), 89
- 9811.46 ISR PENSION PLAN MATCHING - #4 PLAN - WHOSE PLAN? (COVER4), 89
- 9811.48 ISR PENSION PLAN MATCHING - #4 PLAN - ISR R'S IDENTIFICATION # (HHID4), 89

- 9811.50 ISR PENSION PLAN MATCHING - #5 PLAN - CODING ID (PLAN5), 89

9811.53 ISR PENSION PLAN MATCHING - #5 PLAN - SEQ # (PLAN5), 89
9811.56 ISR PENSION PLAN MATCHING - #5 PLAN - WHOSE PLAN? (COVER5),
89
9811.58 ISR PENSION PLAN MATCHING - #5 PLAN - ISR R'S IDENTIFICATION #
(HHID5), 89
9811.60 ISR PENSION PLAN MATCHING - #6 PLAN - CODING ID (PLAN6), 89
9811.63 ISR PENSION PLAN MATCHING - #6 PLAN - SEQ # (PLAN6), 89
9811.66 ISR PENSION PLAN MATCHING - #6 PLAN - WHOSE PLAN? (COVER6),
89
9811.68 ISR PENSION PLAN MATCHING - #6 PLAN - ISR R'S IDENTIFICATION #
(HHID6), 89

These are the variables that came from Census which are needed to associate the employee variables with the ISR pension plan characteristics. These variables enable the researcher to locate the employer column in 1992 which has the more extensive employee characteristics associated with a particular pension plan.

9814.01 COMPARISON OF EMPLOYER OF PENSIONS, PENSION MATCH NOT
POSSIBLE, 89 R
9814.02 COMPARISON OF EMPLOYER OF PENSIONS, PENSION MATCH
POSSIBLE, 89 R
9814.03 COMPARISON OF EMPLOYER OF PENSIONS, DOES 89 79D MATCH 92
6A? 89 R
9814.04 COMPARISON OF EMPLOYER OF PENSIONS, DOES 89 79D MATCH 92
77A #1? 89 R
9814.05 COMPARISON OF EMPLOYER OF PENSIONS, DOES 89 79D MATCH 92
77A #2? 89 R
9814.06 COMPARISON OF EMPLOYER OF PENSIONS, DOES 89 79D MATCH 92
77A #3? 89 R
9814.07 COMPARISON OF EMPLOYER OF PENSIONS, DOES 89 79D MATCH 92
77A #4? 89 R
9814.08 COMPARISON OF EMPLOYER OF PENSIONS, DOES 89 79D MATCH 92
96A #1? 89 R
9814.09 COMPARISON OF EMPLOYER OF PENSIONS, DOES 89 79D MATCH 92
96A #2? 89 R
9814.10 COMPARISON OF EMPLOYER OF PENSIONS, DOES 89 79D MATCH 92
96A #3? 89 R
9814.11 COMPARISON OF EMPLOYER OF PENSIONS, DOES 89 79D MATCH 92
96A #4? 89 R

9848.01 COMPARISON OF EMPLOYER OF PENSIONS, PENSION MATCH NOT
POSSIBLE, 89 HUSBAND