

UNITED STATES OFFICE OF PERSONNEL MANAGEMENT

2017 Federal Employee Benefits Survey Report



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Survey Background

The Federal Employee Benefits Survey (FEBS) is designed to measure the importance, adequacy and perceived value of the benefits available to Federal employees. The survey was first administered in 2004, then again in 2006, 2011, 2013, 2015, and 2017.

In 2011, the FEBS expanded beyond traditional benefit program ratings to capture information about tobacco use and cessation and health status demographics. In 2015, the FEBS was expanded further to collect information about the impact key benefit programs may have on employee recruitment and retention, and also incorporated questions to assess how well employees understand the benefit programs in which they are enrolled. The 2017 FEBS continued to build on previous survey administrations and included additional questions about perceived preparedness for retirement.

The benefit programs discussed in this report include the following:

- The Federal Employees Health Benefits (FEHB) Program
- Thrift Savings Plan (TSP)
- Federal Employees' Group Life Insurance (FEGLI)
- The Federal Employees Dental and Vision Insurance Program (FEDVIP)
- Federal Long-Term Care Insurance Program (FLTCIP)
- Civil Service Retirement System (CSRS)
- Federal Employees Retirement System (FERS)
- Federal Flexible Spending Account Program (FSAFEDS), including:
 - Health Care Flexible Spending Account (HCFSA)
 - Dependent Care Flexible Spending Account (DCFSA)

Survey Methods and Respondent Overview

The 2017 FEBS was administered as a confidential web survey to a random sample of approximately 40,000 permanent Federal employees across government from October 17, 2017 through November 27, 2017. The final response rate was approximately 22 percent, which was comparable to the 23 percent response rate in 2015. It is important to note that while the response rate was not extremely high, many survey respondent characteristics were found to be representative of the overall Federal workforce population.¹ Table 1 displays some key characteristics of the 2017 FEBS respondents.

¹ <https://www.fedscope.opm.gov/>

Table 1. 2017 FEBS Respondent Overview

<p>Male: 52.7% Female: 47.3%</p>	<p>Native Hawaiian or Other Pacific Islander: 1.6% Black or African American: 14.7% Asian: 6.2% American Indian or Alaska Native: 4.2% White: 74.8%</p>																
<h3 style="text-align: center;">Generations</h3> <table border="1"> <thead> <tr> <th>Generation</th> <th>Percentage</th> </tr> </thead> <tbody> <tr> <td>Traditionalists (born 1945 or earlier)</td> <td>1.2%</td> </tr> <tr> <td>Baby Boomers (born 1946 – 1964)</td> <td>45.4%</td> </tr> <tr> <td>Gen X (born 1965 – 1980)</td> <td>39.8%</td> </tr> <tr> <td>Millennials (born 1981 or later)</td> <td>13.6%</td> </tr> </tbody> </table>		Generation	Percentage	Traditionalists (born 1945 or earlier)	1.2%	Baby Boomers (born 1946 – 1964)	45.4%	Gen X (born 1965 – 1980)	39.8%	Millennials (born 1981 or later)	13.6%						
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<p>Field: 63.2% Headquarters: 36.8%</p>	<p>Hispanic or Latino: 8.7%</p>																

Benefit Program Enrollment

Each administration of the FEBS asks participants to indicate whether or not they are enrolled in the core benefit programs available to them as Federal employees. Table 2 displays the reported benefit program enrollment numbers for 2015 and 2017, as well as the change during the two years between survey administrations.

Table 2. Reported Benefit Program Enrollment

Benefit Program	Enrolled 2017	Enrolled 2015	Change from 2015-2017
TSP	97.2%	96.3%	+0.9
FERS	92.8%	90.8%	+2.0
FEHB	83.7%	83.8%	-0.1
FEGLI	80.4%	77.9%	+2.5
FEDVIP: Dental	64.7%	60.8%	+3.9
FEDVIP: Vision	51.9%	48.6%	+3.3
HCFA	27.9%	27.8%	+0.1
FLTCIP	9.9%	10.0%	-0.1
CSRS	6.2%	8.1%	-1.9
DCFA	5.6%	4.1%	+1.5

- The TSP, FERS and FEHB are consistently at the top when it comes to enrollment, which is not surprising given the global importance of retirement and health insurance benefits.
- Enrollment across all programs held steady from 2015 to 2017, and programs were ranked identically between years. However, it is worth noting that both FEDVIP Dental and FEDVIP Vision saw over a three-point increase in enrollment between 2015 and 2017.

Reasons for not enrolling

FEBS participants who reported that they did not enroll in some benefit programs were asked to provide the primary reason they chose not to enroll in the program. Table 3 displays the most frequently selected reason for not enrolling in each benefit program.

Table 3. Reasons for Not Enrolling in Benefit Programs

Benefit Program	% not enrolled 2017	Most frequently selected <u>primary</u> reason for not enrolling
DCFSA	94.4%	This program is not applicable to me (49.0%)
FLTCIP	90.1%	I do not have enough information about the program/not aware of the program (42.9%)
HCFSA	72.1%	I do not wish to participate (24.8%) ²
FEDVIP: Vision	48.1%	I do not think it is a good value (23.2%)
FEDVIP: Dental	35.3%	I am enrolled in a dental insurance program outside of FEDVIP (35.6%)
FEGLI	19.6%	I have life insurance outside of FEGLI (40.7%)
FEHB	16.3%	I am covered by TRICARE (65.3%)
TSP	2.8%	I cannot afford to contribute money to the TSP (34.2%)

- Taking a closer look at why participants did not enroll in benefit programs, it is important to note that of the 16.3 percent of participants who said they were not enrolled in FEHB, the majority (89.3%) indicated coverage through another program (e.g., TRICARE or a plan where someone else is the policy holder).
- Comparing the most frequently selected primary reason for not enrolling in FEDVIP Dental vs. FEDVIP Vision, it is interesting to note that over one-third of those not enrolled in FEDVIP Dental reported they have coverage elsewhere, whereas the most commonly reported reason for not enrolling in FEDVIP Vision was that participants did not think it is a good value.
- Another noteworthy takeaway when looking at why people choose not to enroll in certain benefit programs is the fact that approximately 43 percent of those not enrolled in FLTCIP indicated not enrolling because they did not have enough information about the program or were unaware of it.

Benefit Program Ratings: Comparisons on Core Measures

As part of each survey administration, the FEBS asks participants to provide feedback about the importance, adequacy and value of each available benefit program. All participants, regardless of enrollment, were asked about the importance of the availability of each program to gather a general sense of how all employees perceive the benefit. If a participant indicated that they were enrolled in a program, they were then asked to rate the value of the program and how well it is meeting their needs. To allow for comparisons between all benefit programs, Tables 4, 5 and 6 display the importance, adequacy and value ratings for all programs, as well as how the ratings have changed since the 2015

² Nearly the same number of participants selected “I do not feel as if a HCFSA is beneficial to me” (22.5%) and “I do not have enough information about the program” (21.2%).

FEBS. Following the comparison tables, the results for each specific benefit program are analyzed in more detail.

Table 4. Importance Ratings of Benefit Programs³

Benefit Program	2017 “Extremely Important”/”Important”	2015 “Extremely Important”/”Important”	Change from 2015-2017
TSP	96.1%	95.3%	+0.8
Retirement Annuity (FERS or CSRS) ⁴	94.2%	93.7%	+0.5
Retiree Health Benefits	91.6%	91.5%	+0.1
FEHB	90.6%	90.1%	+0.5
FEDVIP Dental	76.6%	73.0%	+3.6
FEGLI	70.1%	71.3%	-1.2
FEDVIP Vision	66.2%	62.4%	+3.8
FLTCIP	42.0%	42.0%	-
HCFSA ⁵	41.0%	39.0%	+2.0
DCFSA	20.4%	17.1%	+3.3

- Importance ratings in the “extremely important” and “important” categories remained steady across programs from 2015 to 2017, with the biggest increases in the FEDVIP Vision program (+3.8 points), the FEDVIP Dental program (+3.6 points) and the DCFSA program (+3.3 points).
- The TSP, Retirement Annuity, Retiree Health Benefits and FEHB all received “extremely important” or “important” ratings from over 90 percent of FEBS participants in both 2015 and 2017.

³ All participants were asked about the importance of the availability of each benefit program, regardless of whether or not they were enrolled.

⁴ In 2013, respondents rated FERS and CSRS independently.

⁵ In 2013, respondents did not differentiate enrollment between the HCFSA and the DCFSA.

Table 5. Adequacy Ratings of Benefit Programs⁶

Benefit Program	2017 “Meeting Needs to a Great/Moderate Extent”	2015 “Meeting Needs to a Great/Moderate Extent”	Change from 2015-2017
FEHB	96.1 ⁷	96.3	-0.2
TSP	93.7	93.0	+0.7
HCFSA⁸	92.1	-	-
DCFSA	90.9	92.8	-1.9
FEDVIP Vision	86.2	87.6	-1.4
FLTCIP	84.3	88.7	-4.4
FEDVIP Dental	82.4	85.1	-2.7
FEGLI	81.9	81.2	+0.7

- Adequacy ratings or “the extent to which the program is meeting employee needs” remained relatively steady from 2015 to 2017, with the largest change being a decrease of 4.4 points in the FLTCIP program.
- FEHB, TSP, HCFSA and DCFSA all received high adequacy ratings from over 90 percent of enrolled participants in 2017.

⁶ Only participants enrolled in each program were asked to provide adequacy ratings.

⁷ 65.3% selected the highest rating category, to a “great” extent – highest of all programs.

⁸ In 2015, respondents did not differentiate enrollment between the HCFSA and the DCFSA.

Table 6. Value Ratings of Benefit Programs⁹

Benefit Program	2017 “Excellent/Good Value”	2015 “Excellent/Good Value”	Change from 2015-2017
DCFSA	91.0	91.2	-0.2
TSP	89.3	87.1	+2.2
HCFSA ¹⁰	88.4	-	-
FEHB	73.4	73.6	-0.2
FEDVIP Vision	72.5	74.3	-1.8
FEGLI	68.9	70.5	-1.6
FEDVIP Dental	62.9	65.9	-3.0
FLTCIP	60.6	72.6	-12.0

- Value ratings were relatively steady from 2015 to 2017, with the exception of a notable decrease in the FLTCIP program (-12 points).
- The DCFSA program was the only benefit program to receive high value ratings from over 90 percent of enrolled participants; however, the TSP and HCFSA were still very favorable with just under 90 percent of enrolled participants rating the programs as an “excellent value” or “good value.”

The Federal Employees Health Benefits (FEHB) Program

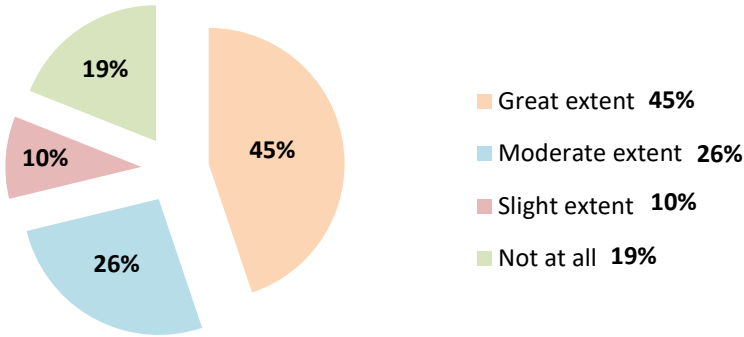
The FEHB Program is often considered a key element of the benefits package available to Federal employees, and FEBS data continue to support the critical role played by the program.

- For example, in 2017, 90.6 percent of participants indicated that the availability of health insurance through FEHB is “extremely important” or “important” to them regardless of whether or not they were enrolled in the program. Consistently since 2013, over 90 percent of FEBS participants have indicated that the availability of FEHB is “extremely important” or “important”.
- In addition, FEBS results suggest FEHB may play a key role in recruiting and retaining Federal employees. In 2017, 71.2 percent of participants indicated that the availability of health insurance through FEHB influenced their decision to take a job with the Federal government to a “great” or “moderate” extent, which demonstrates an approximate four-point increase from 2015 (66.8%). Figure 1 displays the results for the FEHB recruitment item.

⁹ Only participants enrolled in each program were asked to provide value ratings.

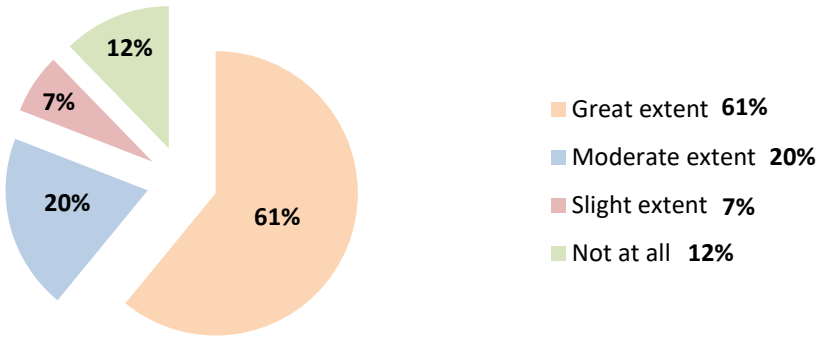
¹⁰ In 2015, respondents did not differentiate enrollment between the HCFSA and the DCFSA.

Figure 1. To what extent did the availability of health insurance through FEHB influence your decision to take a job with the Federal Government?



- The trend is the same when looking at how FEHB may impact retaining employees. In 2017, 80.9 percent of participants indicated that health insurance through the program influenced their decision to remain with the Federal Government to a “great” or “moderate” extent, which demonstrates an approximate 3-point increase from 2015 (77.5%). Figure 2 displays the results for the FEHB retention item.

Figure 2. To what extent did the availability of health insurance through FEHB influence your decision to remain in a job with the Federal Government?



Not only does FEHB play an essential role in recruiting and retaining employees, it is consistently highly rated by those who are enrolled.

- 96.1 percent of enrollees indicated that FEHB meets their needs to a “great” or “moderate” extent (96.3% in 2015).
- 73.4 percent of enrollees feel that FEHB is an “excellent” or “good” value, with value defined as the benefits received for the money that they pay (73.6% in 2015).

Enrollee Engagement in Healthcare

Understanding how employees rate FEHB is helpful information from a program administration perspective, but it is equally important to understand how employees interact with their healthcare options and services. In 2017, the FEBS took a deeper look into how FEHB enrollees engage in their healthcare by asking how frequently employees changed health insurance plans and whether or not they use different types of technology to engage with both providers and health insurance plans.

Do FEHB enrollees change health insurance plans frequently?

Considering plan choice is one of the hallmarks of the FEHB Program, it is interesting to consider whether or not many employees take the time to research plan options each open season to make sure they have the best plan for their individual or family needs. Interestingly enough, over three-quarters (77.2%) of FEHB enrollees reported they have NOT changed health insurance plans in the past five years. Those who did report changing plans in the past five years were asked to name the primary reason they changed plans, and the most frequently reported reason for changing plans was to get a lower premium (38.2%).

Are employees using technology to engage in their healthcare?

Technology provides consumers with many resources and enhanced services when it comes to healthcare and insurance, including new ways to communicate with providers and insurance companies. The FEBS included several items about employee utilization of telehealth services. The Health Resources and Services Administration (HRSA) of the U.S. Department of Health and Human Services defines telehealth as the use of electronic information and telecommunications technologies to support and promote long-distance clinical health care, patient and professional health-related education, public health and health administration. Technologies include videoconferencing, the internet, store-and-forward imaging, streaming media, and terrestrial and wireless communications.¹¹ Participants were also asked about their use of online health portals available through their insurance company, defined for participants as “a secure online website that gives patients convenient 24-hour access to personal health information from anywhere with an Internet connection¹².”

About two-thirds of FEHB enrolled participants (66.7%) reported using an online health portal through their insurance company at least once in the past 12 months, suggesting the majority of enrollees may be taking advantage of the technology available to them. When asked how they used the online health portal, the most common response was “looking up cost information/status of a claim.” All online health portal actions are listed in Table 7.

¹¹ <https://www.healthit.gov/telehealth>

¹² <https://www.healthit.gov/fag/what-patient-portal>

Table 7. FEHB Enrollee Actions Taken Using Online Health Portal

Looked up cost information/status of a claim	Got information on a wellness or rewards program	Other	Checked status of deductible	Requested a new ID card	Paid a bill
55.6%	41.7%	28.7%	24.1%	17.5%	7.5%

Age may play a slight role in terms of the likelihood to access these online services, as Millennials and Generation X employees were found to be slightly more likely than older generation groups to have accessed an online health portal three or more times in the past 12 months. Figure 3 displays online portal access results broken down by generation.

Figure 3. Accessed online portal through health insurance 3 or more times in last 12 months



FEHB enrollees were also asked to report if they used telehealth services to gauge whether or not employees are interested in using technology to connect with their providers. Over one-quarter of FEHB-enrolled participants (28%) reported they were not interested in using these types of services, and another 16.2 percent reported these services were not available to them. Those who did report using these services are displayed in Table 8, with participants having the option to select more than one service. Telephone appointments and online communications with providers were the most frequently selected services reported by FEHB enrollees, with only around one percent of FEHB enrolled participants reporting use of live video appointments with providers.

Table 8. Telehealth Services Used by FEHB Enrollees

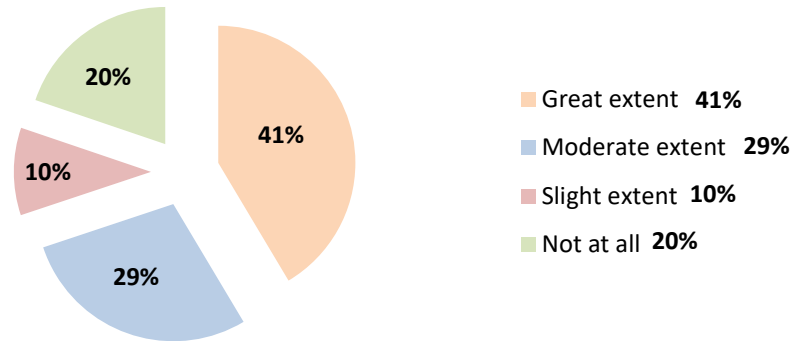
Telephone apt with provider	Online communications with provider	Mobile health application	Live video apt with provider
37.1%	27.6%	14.0%	1.1%

Thrift Savings Plan (TSP)

Much like FEHB, the TSP is considered a key element in the Federal benefits package. Nearly 100 percent of Federal employees are enrolled in the TSP, and FEBS results continue to support the fact that the program is highly valued and well regarded.

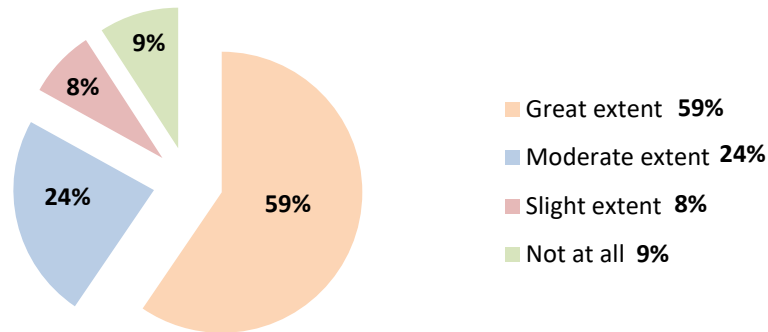
- In 2017, 96.1 percent of participants, regardless of whether or not they were enrolled, indicated that the availability of the TSP is “extremely important” or “important”. This figure holds consistent with previous FEBS administrations and continues to demonstrate the importance of robust retirement savings programs.
- Not only is the availability of TSP important to employees, the program (like FEHB) may play a key role in recruiting and retaining Federal employees. In 2017, 69.9 percent of participants indicated that the availability of the TSP influenced their decision to take a job with the Federal Government to a “great” or “moderate” extent, which demonstrates an increase of more than 8 points since 2015 (61.4%). Figure 4 displays the TSP recruitment item results.

Figure 4. To what extent did the availability of the TSP influence your decision to take a job with the Federal Government?



- The trend is the same when examining how the TSP impacts retaining employees. In 2017, 83 percent of participants indicated that the TSP influenced their decision to remain with the Federal Government to a “great” or “moderate” extent, which demonstrates an almost five-point increase from 2015 (78.4%). Figure 5 displays the TSP retention item results.

Figure 5. To what extent did the availability of the TSP influence your decision to remain in a job with the Federal Government?



In addition to playing a key role in recruiting and retaining employees, the TSP is highly rated by currently enrolled employees.

- 93.7 percent of enrollees indicated that the TSP meets their needs to a “great” or “moderate” extent. (93% in 2015).
- 89.3 percent of enrollees feel that the TSP is an “excellent” or “good” value (benefits received for the money that they pay) (87.1% in 2015).

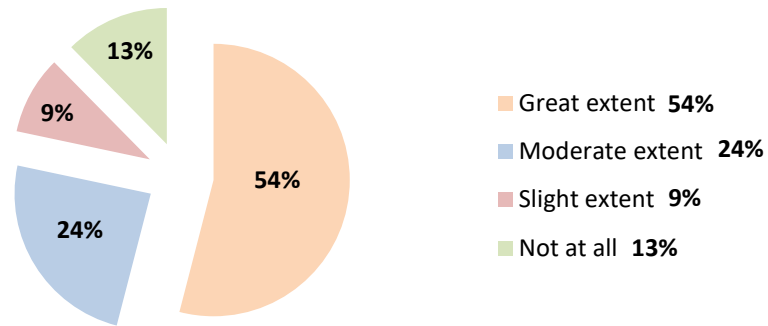
Retirement Annuity (FERS /CSRS¹³)

In addition to FEHB and the TSP, the third key element in the Federal benefits package is the annuity employees are eligible to receive in retirement.

- In 2017, 94.2 percent of participants indicated that the availability of a retirement annuity through FERS or CSRS is “extremely important” or “important”. This figure holds consistent with previous FEBS administrations (93.7% in 2015).
- Not only is the availability of a retirement annuity important to employees, the benefit has played a key role in recruiting and retaining Federal employees. In 2017, 78.3 percent of participants indicated that the availability of a retirement annuity through FERS or CSRS influenced their decision to take a job with the Federal Government to a “great” or “moderate” extent, which demonstrates over a six-point increase from 2015 (72.2%). Figure 6 displays the Retirement Annuity Recruitment item results.

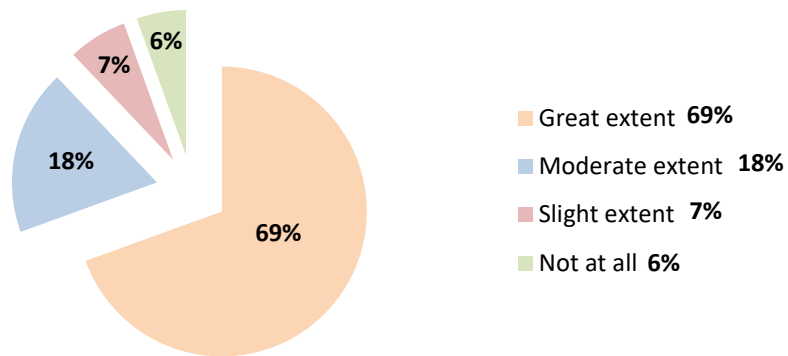
¹³ Congress created the FERS in 1986, and it became effective on January 1, 1987. Since that time, new Federal civilian employees who have retirement coverage are covered by FERS. Although other Federal employee retirement systems exist, the FEBS focuses on FERS and CSRS since they are the two most common.

Figure 6. To what extent did the availability of a retirement annuity through FERS or CSRS influence your decision to take a job with the Federal Government?



- The trend is the same when looking at how FERS/CSRS impact retaining employees. In 2017, 87.9 percent of participants indicated that a retirement annuity through FERS or CSRS influenced their decision to remain with the Federal Government to a “great” or “moderate” extent, which demonstrates over a three-point increase from 2015 (84.5%). Figure 7 displays the Retirement Annuity Retention item results.

Figure 7. To what extent did the availability of a retirement annuity through FERS or CSRS influence your decision to remain in a job with the Federal Government?



Federal Employees' Group Life Insurance (FEGLI)

In addition to gathering feedback about the core benefit programs, the FEBS also asked respondents to provide ratings for the voluntary benefits available to them as Federal employees. Approximately 70 percent of respondents indicated that the availability of the FEGLI program, regardless of whether or not they were enrolled, was “extremely important” or “important” to them. This suggests that having access to and the ability to enroll in the FEGLI program is important to the majority of Federal employees.

When considering how the program is regarded by employees who are actively enrolled (80.4% of respondents), FEBS results demonstrate relatively high levels of satisfaction.

- 81.9 percent of respondents indicated the FEGLI program meets their needs to a “great” or a “moderate” extent.
- Value ratings (benefits employees receive for the money they pay) were slightly lower, with 68.9 percent of participants indicating that FEGLI provides an “excellent” or “good” value for the money.

The Federal Employees Dental and Vision Insurance Program (FEDVIP)

Just over three-quarters (76.6%) of respondents indicated that it was “extremely important” or “important” to have dental insurance through FEDVIP available to them as Federal employees. A slightly lower percentage, 66.2 percent, indicated that the availability of vision insurance through FEDVIP was either “extremely important” or “important” to them. These results track with reported FEDVIP uptake, with a slightly higher percentage of participants (64.7%) indicating enrollment in dental insurance than vision insurance (51.9%). Despite the fact FEDVIP enrollment is typically lower than other programs such as FEGLI and FEHB, it is important to note that both the dental and vision insurance programs saw the highest increases in enrollment between 2015 and 2017.

Employees who are enrolled in FEDVIP Dental and Vision insurance, much like other benefit programs, demonstrate a high level of satisfaction.

- Over 80 percent of FEDVIP Dental and Vision enrollees indicated that the programs are meeting their needs to a “great” or “moderate” extent.
- Value ratings are slightly lower, with 72.5 percent of FEDVIP Vision enrollees indicating that the program is an “excellent” or “good” value and 62.9 percent of FEDVIP Dental enrollees indicating that the program is an “excellent” or “good” value.
- Although the FEDVIP adequacy and value ratings show relatively high levels of satisfaction among enrollees, the FEDVIP Dental ratings rank toward the bottom when comparing ratings across programs.

Federal Long-Term Care Insurance Program (FLTCIP)

The FLTCIP program continues to be one of the most under-utilized benefit programs available to Federal employees, with just under 10 percent of participants indicating that they were enrolled. This figure demonstrates that there has been no change in enrollment results since the last FEBS administration in 2015.

Despite the fact importance ratings for the FLTCIP program also rank low when comparing ratings across all benefits, it is worth noting that 42 percent of FEBS participants indicated that the availability of long-term care insurance was either “extremely important” or “important” to them. The discrepancy in importance ratings vs. reported enrollment is consistent with the nature of the benefit since the future necessity of the program is unknown for most employees.

For participants who are enrolled in the FLTCIP program, satisfaction ratings were relatively mixed:

- 84.3 percent of participants indicated that the FLTCIP program meets their needs to a “great” or a “moderate” extent.
- 60.6 percent of participants (a 12-point drop since 2015) indicated that the FLTCIP program provides an “excellent” or a “good” value for the money, which is the lowest value rating across all programs in 2017. It should be noted that the drop in value ratings between 2015 and 2017 could be related to the average 83 percent premium increase that was implemented in 2016.¹⁴

Federal Flexible Spending Accounts Program (FSAFEDS)

The Health Care Flexible Spending Account (HCFSAs) and the Dependent Care Flexible Spending Account (DCFSA) through FSAFEDS are two programs that have traditionally seen low enrollment rates. Approximately one-quarter of respondents indicated enrollment in the HCFSAs in both 2015 (27.8%) and 2017 (27.9%). Not surprisingly, due to the nature of the program, even fewer respondents reported enrollment in the DCFSA: 4.1 percent of participants in 2015 and 5.6 percent in 2017.

Similar to the FLTCIP program, even though reported FSAFEDS enrollment is comparatively lower than other programs, employees still place importance on the program’s availability. Approximately 40 percent of respondents indicated that the availability of the HCFSAs was either “extremely important” or “important” to them. Only 20.4 percent of participants indicated that the DCFSA was either “extremely important” or “important” to them, which is not incredibly surprising since only a specific subgroup of the Federal employee population would even be eligible to participate.

¹⁴ <https://www.ltcfeds.com/help/fag/premiums.html>

What is perhaps most interesting when looking at the FSAFEDS program is the fact that despite low enrollment and moderate importance ratings, active enrollees are extremely satisfied:

- Over 90 percent of enrollees indicated that the HCFSA (92.1%) and the DCFSA (90.9%) meet their needs to a “great” or a “moderate” extent.
- The DCFSA had the highest value ratings out of all programs, with 91 percent of employees indicating that the program provided an “excellent” or “good” value for the money.

Benefit Education and Resources

Looking beyond the core FEBS measures of importance, adequacy and value, the FEBS assessed the important topic of benefit education and resources. With so many benefit programs available to employees, adequate and accessible resources are necessary to ensure employees are able to understand whether or not enrollment in each program is right for them and their unique individual or family needs.

To learn more about how employees access resources for each benefit program, the FEBS included questions to determine which primary resource employees turn to when they have an urgent question about a specific benefit they are enrolled in. In addition, the FEBS asked participants to identify which resource they would be most likely to access to simply learn more about a specific benefit program they are enrolled in. Understanding how employees learn about their benefits and what actions they take in an urgent situation may be helpful in ensuring the resources available to employees are meeting their needs in various situations.

What resources do employees turn to when they have urgent questions about their benefits?

Only participants enrolled in each benefit program were asked which resource they would be most likely to use if they had an urgent question about their benefits. Resources listed for participants included the customer service phone number, benefit program website, brochures, agency’s HR department, and a few others depending on the specific program. The benefit website and the customer service phone number were the most frequently selected resources for all benefit programs. Table 9 displays the most frequently selected resource for urgent questions by benefit program.

Table 9. Most frequently selected resource used when enrollees have URGENT questions

FEHB	FEGLI	TSP	FEDVIP Dental	FEDVIP Vision	FLTCIP	DCFSA	HCFSA
47.4% Prefer customer service phone number	32.4% Prefer customer service phone number	67.6% Prefer website	33.3% Prefer website	34.6% Prefer website	43.9% Prefer website	67.8% Prefer website	65.4% Prefer website

Where do employees look to learn more about their benefits?

Participants enrolled in each benefit program were asked which resource they would turn to first to learn more about their benefits, and the results in Table 10 showed that the benefit program websites were the most frequently selected response for every benefit. Other resource choices included education programs, customer service phone number, brochures, agency’s HR department, and others depending on the specific program. These results differ only slightly from the “urgent questions” results above, suggesting enrollees in most programs may go to the program website as a primary resource in both urgent and educational scenarios.

Table 10. Most likely resource used when enrollees want to learn more about their benefits

FEHB	FEGLI	TSP	FEDVIP Dental	FEDVIP Vision	FLTCIP	DCFSA	HCFSA
53.1% Prefer website	47.4% Prefer website	76.6% Prefer website	35.3% Prefer website	36.5% Prefer website	48.7% Prefer website	79.1% Prefer website	75.2% Prefer website

Retirement Preparedness

Financial Fitness in Retirement

Preparing for retirement can often feel like a lifelong challenge and is something employees are urged to contemplate at the beginning of their careers. Moreover, it has become increasingly difficult for employees to feel confident that they are adequately prepared to maintain their current standard of living as they move into retirement¹⁵. A recent study by the Center for Retirement Research at Boston College (CRRBC) found that only 57 percent of households had a realistic idea of whether or not they were preparing adequately for retirement, which means that more than four in 10 households got it wrong. Of the households whose estimates were off base, 19 percent were overconfident (“not worried enough”).¹⁶ In order to take a pulse on how Federal employees feel about retirement, the 2017 FEBS asked five questions about perceived retirement preparedness and available resources. The results of each are displayed in the following figures.

As Figure 8 displays, the majority of participants, approximately 57 percent, reported that they “strongly agree” or “agree” with the statement “I know how much money I will need to live a comfortable lifestyle throughout retirement.” Slightly less than one-quarter of participants (22%) indicated some level of disagreement with the same statement.

¹⁵ <http://time.com/money/4629545/ensure-comfortable-retirement-plan/>

¹⁶ <http://time.com/money/4699560/retirement-preparedness-40-get-it-wrong/>

Figure 8. Knowledge of money needed to live comfortably in retirement

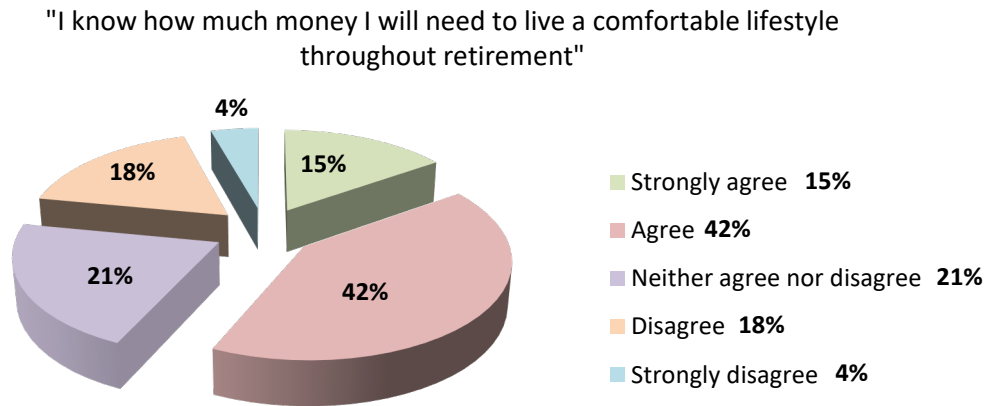
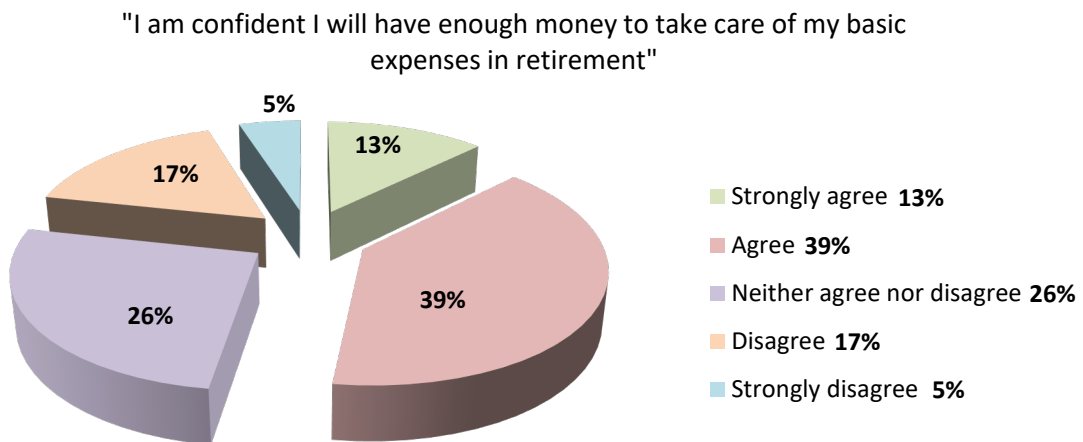


Figure 9 shows the level of confidence participants reported when it comes to having enough money to meet basic expenses in retirement. The distribution of responses to this question is similar to the results displayed in Figure 8.

- 52.3 percent of participants show some level of confidence that they will have enough money to take care of their basic expenses in retirement.
- 21.6 percent of participants indicated some level of disagreement with the statement that they are confident they will have enough money to take care of basic expenses in retirement.

Figure 9. Confidence in having enough money to meet basic expenses in retirement

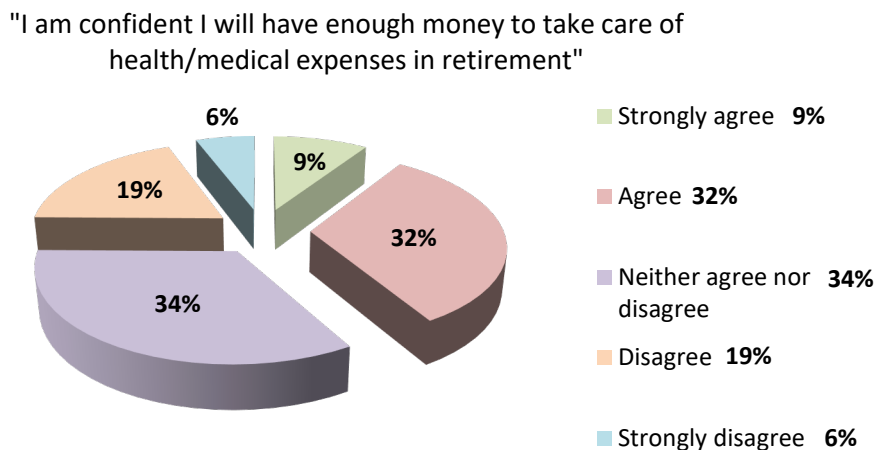


Health and Medical Expenses in Retirement

The estimated amount of money an individual should plan to have saved by retirement in order to meet their health and medical expenses continues to inflate. In 2017, a 65-year-old man needs an estimated \$73,000 in savings and a 65-year-old woman needs an estimated \$95,000 if each have a goal of having a 50 percent chance of building enough savings to cover premiums and median prescription drug expenses in retirement. If they want a 90 percent chance of having enough savings, the man needs approximately \$131,000 and the woman needs approximately \$147,000.¹⁷ Concern over the cost of health care could be why nearly 92 percent of participants indicated that the availability of retiree health benefits was either “extremely important” or “important” and why respondents ranked the availability of annuitant health benefits as the third most important program (out of 10).

Figure 10 displays the results for the item “I am confident I will have enough money to take care of health/medical expenses in retirement.” Although 41.5 percent of participants indicated some level of agreement that they are confident they will have enough money to take care of health/medical expenses in retirement, it is worth noting that this is approximately 10 percentage points lower than results for those who felt as if they will have enough money to meet *basic* expenses in retirement.

Figure 10. Confidence in having enough money to meet health/medical expenses in retirement



Understanding of Retirement Benefits

The results displayed in Figure 11 show that understanding of how retirement payments are calculated varies quite a bit. Just over half of participants (46.7%) indicated some level of agreement with the statement that they understand how annuity payments will be calculated. While the high level of reported understanding of payment calculations is positive, it should be noted that just under one-third of participants reported some level of disagreement with the statement and just under one quarter were neutral in their agreement. This indicates that there is a relatively large percentage of the

¹⁷ https://www.ebri.org/pdf/notespdf/EBRI_Notes_v38no10_22.pdf

population that could potentially benefit from learning more about the calculation of their retirement payments.

Figure 11. Retirement payment calculation

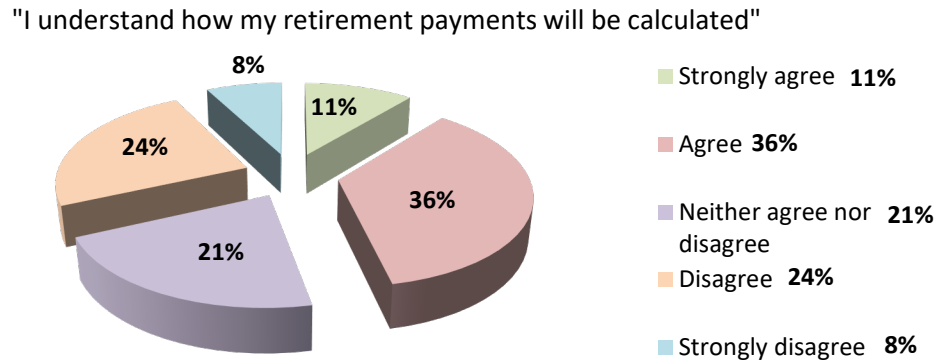
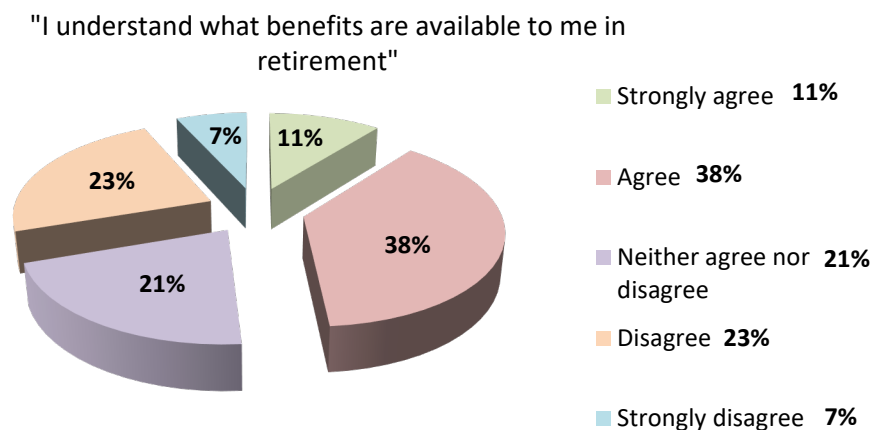


Figure 12 demonstrates that 48.8 percent of participants feel as if they have an understanding of the benefits that are available to them in retirement. Similarly, 46.4 percent of participants indicated that they know who to contact if they have questions about their retirement.

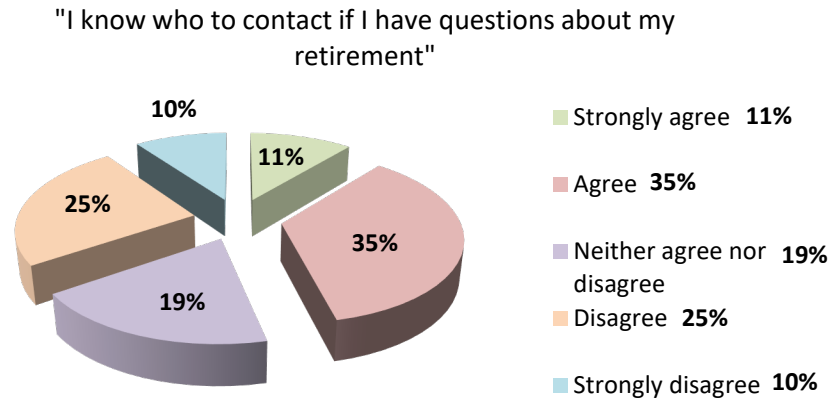
On the flip side, the results displayed in Figure 12 present another opportunity for retirement benefit education, as 21 percent of respondents were neutral in their understanding of available benefits and 30.3 percent indicated some level of disagreement with the statement that they understand what benefits will be available to them upon retirement.

Figure 12. Available retirement benefits



Finally, the results displayed in Figure 13 demonstrate another opportunity to better communicate with employees about retirement benefits, as 34.6 percent of respondents reported some level of disagreement that they know who to contact with questions about their retirement, and 19.1 percent were neutral.

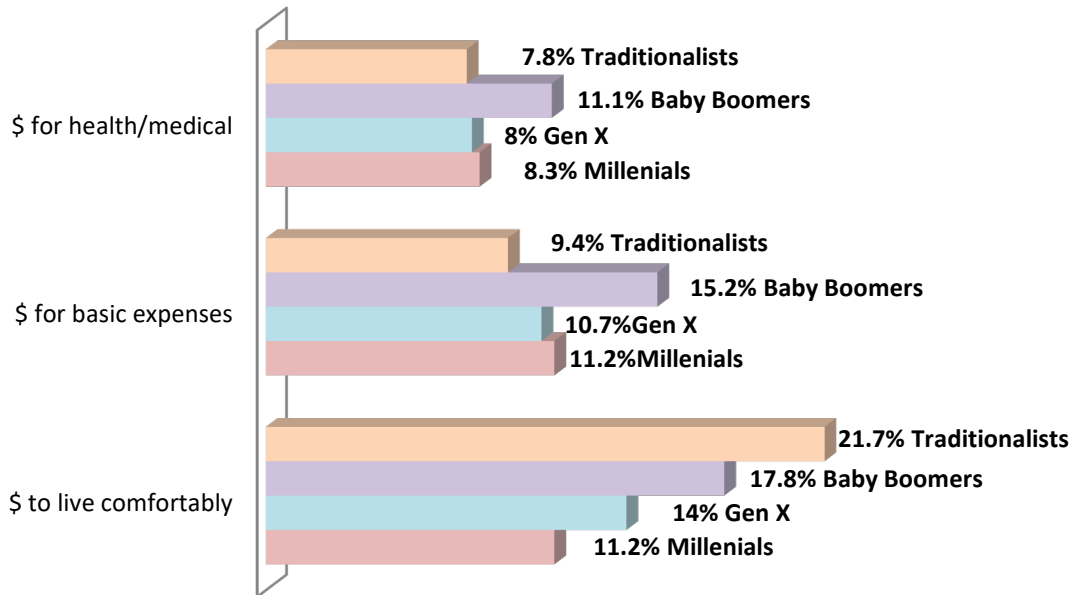
Figure 13. Retirement benefit resources



Retirement Preparedness by Generation

It is not surprising that there was a difference between generations in the number of respondents who “strongly agree” that they will have enough money to live comfortably, meet basic expenses, and cover health and medical expenses in retirement. Figure 14 displays the results for some of the retirement preparedness items by generation.

Figure 14. Participants who “strongly agree” that they will have enough money in retirement



- Traditionalists were almost twice as likely as millennials to “strongly agree” that they will have enough money to live comfortably in retirement.
 - On the flip side of the answer scale, millennials were twice as likely (25.7%) as Traditionalists (13.0%) to “disagree” that they will have enough money to live comfortably in retirement.
- When looking at confidence in having enough money to meet both basic and health/medical expenses in retirement, it is interesting to note that baby boomers most strongly agreed with the statement.
- There was not a great deal of variation between generations when looking at those who agreed, neither agreed nor disagreed, disagreed, or strongly disagreed with the financial preparedness statements.

A Pulse on the Health of the Federal Workforce

Participants were asked general questions about some of their health-related behaviors, including exercise, diet and tobacco use. Questions were aimed at assessing the level of engagement in healthy activities and identifying the most common barriers to engaging in some of these healthy behaviors. A broad overview of results is displayed in the table below.

Table 11. 2017 FEBS Health & Wellness Takeaways

67.9% exercise regularly	81.6% eat a healthy, balanced diet	10.8% used tobacco in the past 30 days	14.1% participated in a Health Assessment through agency <i>+5 since 2015</i>	34.7% participated in a Health Assessment through their insurance <i>+17 since 2015</i>
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Participants are Engaging in Healthy Behaviors

Health results from the survey were generally positive and stable since the last administration of the FEBS in 2015, with the exception of an encouraging increase in Health Assessment participation, as noted above. The majority of participants reported engaging in an exercise routine and eating healthy, balanced diets. Only 10.8 percent of participants reported tobacco use in the past 30 days, consistent with the last administration of the survey (10.6% reported tobacco use in the 2015 FEBS).

Barriers to Making Healthier Choices

The majority of participants reported making healthy choices when it comes to eating well and making exercise part of their routine, but the participants who reported making less healthy choices were asked to identify the primary barriers to exercising and eating a healthy diet. Results showed that a lack of time was the most frequently reported reason for not engaging in exercise or healthy diet.

Tobacco Use

Tobacco use has remained steady since 2015 according to the FEBS results, and in 2017 men had a slightly higher tobacco use rate (12.9%) than women (8.4%). These results are consistently lower than figures from the general U.S. adult population, with the American Cancer Society reporting that approximately 15 percent of Americans smoke.¹⁸ Status updates on additional tobacco-related behaviors are listed below.

¹⁸ https://www.npr.org/sections/health-shots/2018/01/31/581932286/how-to-drive-down-smoking-in-groups-that-still-light-up?utm_campaign=KHN:%20First%20Edition&utm_source=hs_email&utm_medium=email&utm_content=60372610&hsenc=p2ANqtz--80q_Sfx4iPFPennH8FpA2mmpW2gflAd4I74NUVlu1t_5dPYMyaFRB7ATRBC2XmJo-JP7fl8rkjVP53k23DfJL42aiJA&hsmi=60372610

- **FEHB Tobacco Cessation Benefit awareness remains low and stable over time.** Only 13.7 percent of participants reported awareness of the FEHB Tobacco Cessation Benefit¹⁹, which is slightly lower than in 2015 (16.3%). Splitting out these results by tobacco use did not improve the awareness results by much, with only 16.7 percent of current tobacco users reporting knowledge of the benefit prior to participating in the survey. These results are barely higher than non-tobacco users (12.6%) and past tobacco users (15.6%).
- **Tobacco users report incentives may help them quit.** Current tobacco users were asked how likely they would be to quit using tobacco if offered a reduction in their insurance premium, and the majority responded they would be either “extremely likely” or “likely” to quit (67.1 %). **Considerable household tobacco use.** Because many employees have family coverage under FEHB, participants were also asked if anyone else in their household has used tobacco products in the past 30 days. More participants reporting having a member of their household use tobacco currently (13%) than those reporting personal tobacco use (10.8%), which is interesting to take into consideration when assessing tobacco use and efforts to promote awareness of the tobacco cessation benefit.

Encouraging Improvements in Health Assessment Participation

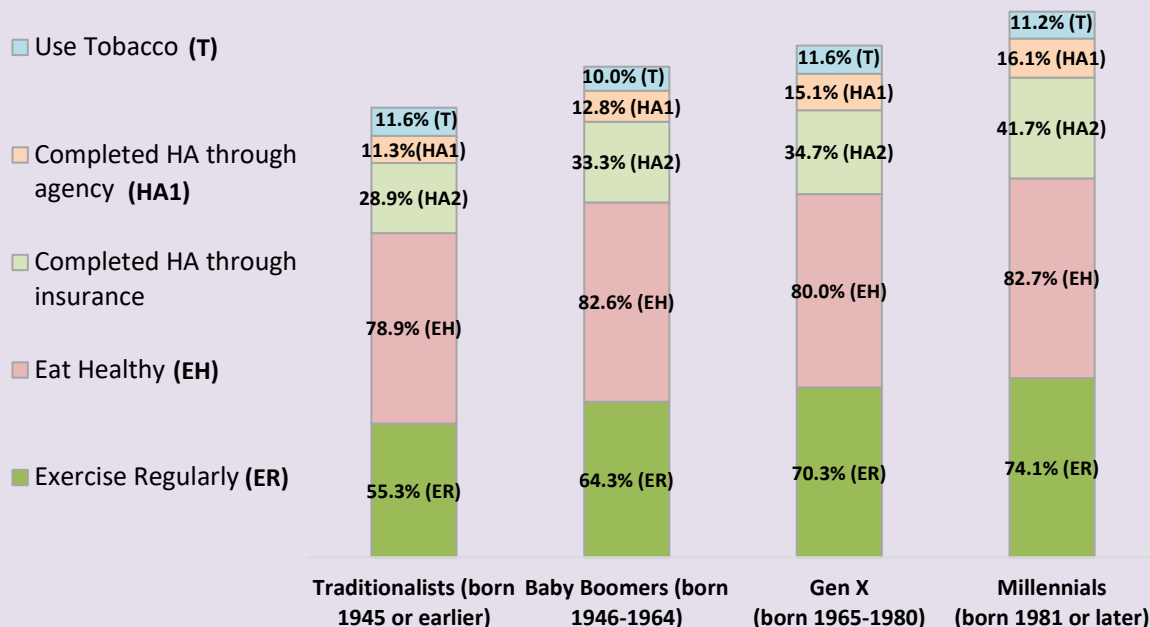
Reported Health Assessment participation has risen notably since the last survey administration in 2015, suggesting more employees may be taking advantage of health management resources available to them through both their insurance plans and their agencies. Over one-third (34.7%) of participants reported completing a Health Assessment through their insurance company, which has increased 16.8 percentage points since 2015. There was also an increase of over five percentage points in Health Assessment participation through their agency. Both results are encouraging, and suggest an increase in the awareness of availability of Health Assessments or some improvements in the ease of access.

¹⁹ Beginning in plan year 2011, all FEHB plans began covering four counseling sessions of at least 30 minutes for two quit attempts per year and all Food and Drug Administration (FDA)-approved tobacco cessation medications (with a doctor’s prescription). <http://www.opm.gov/healthcare-insurance/special-initiatives/quit-smoking/>

Generation Groups & Engagement in Healthy Behaviors

Results from the health and wellness section of the 2017 FEBS were broken down by generation categories to find out whether or not there was much variation between the different generations of the Federal workforce and how they participate in healthy behaviors. Figure 15 displays the breakout of health behaviors by generation.

Figure 15. Reported Health Behaviors by Generation Group



Millennials are slightly more engaged in healthy behaviors according to the FEBS. Millennials had the highest reported participation in regular exercise and healthy food choices, with 74.1 percent of millennials reporting they exercise regularly and 82.7 percent reporting they eat a healthy, balanced diet. Differences in reported healthy eating behaviors were relatively minimal between generation groups, with scores ranging from 82.7 percent for Millennials to 78.9 percent for Traditionalists. Exercise results showed more variation between generation groups, with Millennials at the highest with 74.1 percent and Traditionalists on the low end at 55.3 percent.

A higher percentage of Millennials reported participating in Health Assessments. Millennials were also the most likely generation group to have participated in a Health Assessment through their agency (16.1%) and/or health insurance plan (41.7%), suggesting either more engagement in their health or a greater likelihood to respond to communication materials advertising the availability of a Health Assessment.

Little variation found between groups in terms of tobacco use. Tobacco use was generally the same across the generation groups and on par with the overall tobacco use rate for the FEBS population.

2017 FEBS Takeaways

Core Benefit Programs

- The TSP, FERS and FEHB remain the three most popular benefit programs in terms of enrollment.
- The availability of benefit programs remains important to employees, with 60 percent or more of all participants indicating that the availability of 7 out of the 10 listed programs was “extremely important” or “important.”
- Employees enrolled in benefit programs report high levels of satisfaction. All programs had 80 percent or more of enrolled participants report that it was meeting their needs to a “great” or a “moderate” extent. Similarly, all programs had 60 percent or more of enrolled participants report that it was a “good” or “excellent” value.
- FEDVIP Dental and Vision saw the highest increases in reported enrollment of all benefit programs between 2015 and 2017.
- The availability of FEHB, a retirement annuity and the TSP may play a large role in recruiting and retaining employees. Moreover, the percentage of employees who reported that each program impacted recruitment and retention increased between 2015 and 2017.
- Nearly 43 percent of those not enrolled in FLTCIP indicated they did not enroll because they did not have enough information about the program or that they were not aware of it. A Harris Poll recently found that the primary reason 53 percent of Americans who were not enrolled in long term care insurance chose not to enroll was because it is too expensive.²⁰The fact that a lack of information rather than cost was identified by FEBS participants as the primary reason for not enrolling in FLTCIP suggests that additional program education could have a positive impact on enrollment.
- The retirement preparedness results identified opportunities to better educate and communicate with employees about planning for the future. Even though more than half of respondents showed some level of agreement with the statement “I know how much money I will need to live a comfortable lifestyle throughout retirement,” results showed uncertainty over covering health care costs in retirement, how annuity payments are calculated, and who to contact with questions about retirement.
- For most benefit programs, enrolled participants identified benefit program websites as the most likely primary resource they would turn to if they had urgent questions about their benefits or simply wanted to learn more about their benefits. This suggests that websites should be leveraged as an effective way to educate and communicate with employees.

²⁰ <https://www.oneamerica.com/newsroom/news-releases/harris-poll-ltc-insurance>

Health & Wellness

- Approximately two-thirds of FEHB-enrolled participants reported using an online health portal at least once in the past 12 months, suggesting many employees are engaging with their insurance or providers via technology.
- The majority of participants reported engaging in an exercise routine and eating healthy, balanced diets.
- Only 10.8 percent of participants reported tobacco use in the past 30 days, consistent with the last administration of the survey and lower than the U.S. general adult population findings.
- Only 13.7 percent of participants reported awareness of the FEHB Tobacco Cessation Benefit, which is slightly lower than in 2015 (16.3%). Even current tobacco users' awareness of the benefit was low (16.7%), indicating a need for communication to ensure employees are aware of this helpful tool to improve health.
- Over one-third of participants reported completing a Health Assessment through their insurance company, which was an increase of 16.8 percentage points since 2015. Results are encouraging, and suggest an increase in the awareness of Health Assessments or some improvements in the ease of access.



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