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Worker Participation in Employer-Sponsored Pensions in 2025

In March 2025, about 74% of all U.S. workers had access to employer-sponsored pensions, and 56% of U.S. workers participated in employer-sponsored pensions. These data points are from the National Compensation Survey (NCS) conducted by the Bureau of Labor Statistics (BLS) and are shown in **Table 1**. In the NCS, workers have access to a

pension if a plan is available for their use, even if they decline to participate. Workers participate in a plan if they meet the eligibility requirements and make contributions to the plan, if required. Access and participation rates vary with various worker attributes.

Table 1. Access and Participation Rates in Employer-Sponsored Pension Plans, March 2025

		Either Defined Benefit or Defined Contribution		Defined Benefit		Defined Contribution		
		Access	Participation	Access	Participation	Access	Participation	
Civilian Workers ^a	All workers	75%	56%	24%	18%	65%	45%	
	Full-time	84%	66%	28%	21%	73%	53%	
	Part-time	46%	24%	10%	7%	41%	19%	
Private Sector Workers ^b	All private sector workers	72%	53%	14%	9%	70%	50%	
	Full-time	81%	62%	16%	11%	78%	59%	
	Part-time	47%	23%	7%	5%	43%	20%	
	Union	91%	80%	64%	55%	65%	53%	
	Nonunion	71%	50%	9%	5%	70%	49%	
	Average wage of occupation							
		Lowest 25%	49%	23%	4%	2%	48%	21%
		Second 25%	71%	47%	9%	5%	68%	44%
		Third 25%	83%	66%	17%	12%	81%	76%
		Highest 25%	91%	80%	28%	19%	87%	81%
Number of employees at place of employment								
	1-49	55%	38%	5%	4%	54%	37%	
	50-99	71%	45%	8%	6%	69%	42%	
	100-499	86%	60%	13%	9%	83%	57%	
	500 or more	90%	76%	36%	23%	87%	71%	
State and Local Government Workers ^c	State and local	92%	81%	86%	74%	38%	19%	
	State	96%	83%	90%	73%	53%	28%	
	Local	90%	80%	85%	75%	33%	16%	

Source: March 2025 National Compensation Survey (NCS), <https://www.bls.gov/ebs/publications/employee-benefits-in-the-united-states-march-2025.htm>.

Notes: Definitions are from the NCS's Glossary of Employee Benefit Terms, available at <https://www.bls.gov/ebs/publications/national-compensation-survey-glossary-of-employee-benefit-terms.htm>, and the Bureau of Labor Statistics (BLS) Information Glossary at <https://www.bls.gov/bls/glossary.htm>.

- a. Defined by BLS as all private industry and state and local government workers, excluding federal government, military, and agricultural workers.
- b. Defined in the NCS as private industry workers, excluding workers in private households, self-employed, workers who set their own pay (e.g., proprietors, owners, major stockholders, and partners in unincorporated firms), and family members paid token wages.
- c. Referred to in the NCS as public sector workers, excluding federal workers.

Types of Pension and Retirement Plans

A pension or retirement plan is a benefit offered by some employers in which employees and employers defer a portion of current wages to receive as income in retirement. The two types of retirement plans that employers offer are defined benefit (DB) plans or defined contribution (DC) plans. Some employers offer both.

In DB pension plans, participants receive monthly payments in retirement based on a formula that typically uses either (1) a combination of length of service, accrual rate, and average of final years' salary or (2) a flat dollar amount times the number of months or years the employee worked in the plan.

In DC plans—which include 401(k), 403(b) and 457(b) plans, and the federal government's Thrift Savings Plan (TSP)—workers and/or employers make contributions to individual accounts established by the employers. In the most common plans, workers determine individually how much to contribute and how their account contributions are invested from the options provided by the plan sponsor. The accounts may accrue investment returns and can then be used as a source of income in retirement. Traditionally, workers in many DC plans had to make an active choice to participate in the plans offered by their employers. However, in recent years, and increasing number of DC plans automatically enroll new workers, and employees have the option to not participate in the plan.

Access and Participation in March 2025

The survey estimates in **Table 1** are classified by a variety of attributes that highlight differences in pension plan access and participation rates among groups of workers in March 2025. Some highlights in the data include the following:

All Workers

Among all civilian workers, 75% had access to employer-sponsored pension plans. A greater percentage (65%) had access to DC plans than had access to DB plans (24%).

State and Local Government Workers

A greater percentage of state and local public sector workers (92%) had access to pension plans compared to private sector workers (72%). State and local government workers were more likely to have access to DB pension plans (86%, compared with 14% for private sector workers), whereas private sector workers were more likely to have access to DC pension plans (70%, compared with 38% of state and local government workers).

Private Sector Workers

Among private sector workers, 72% had access to employer-sponsored retirement plans at work in March 2025. More workers had access to DC plans (70%) than to DB plans (14%). Over the past 40 years, DC pension plans have become more common than DB pension plans among private sector workers. Some of the disparities among private sector workers include the following:

- **Union and nonunion workers.** In the private sector, union workers were more likely to have access to

pension plans than nonunion workers (91%, compared to 71% of nonunion workers). Union workers were more likely to have access to DB plans (64%) than were nonunion workers (9%).

- **Full-time and part-time workers.** Both access and participation rates were higher among full-time than among part-time workers. With regard to DC plans, 78% of full-time private sector workers had access to DC plans at work, and 59% participated. Among part-time private sector workers, 43% had access and 20% participated. The *take-up rate*, which is the percentage of workers who participate in a plan conditional on access, was higher for full-time workers (76% with access chose to participate) compared to part-time workers (47% with access chose to participate). The reasons could include the fact that part-time workers may be more likely to need all of their paychecks for current expenses, or part-time workers or their spouses, if married, may have access to pension plans at other jobs.
- **Wage of occupation.** Access rates were higher for workers in higher-paying occupations. For example, 49% of private sector workers in occupations with the lowest 25% of average wages had access to employer-sponsored pensions, whereas 91% of workers in occupations with the highest 25% of average wages did. Workers in the lowest 25% of occupations by average wage had lower participation and take-up rates than did workers in higher-wage occupations. For example, the DC plan take-up rate for workers in occupations with the lowest 25% of average wage was 44% (21% / 48%) but was 94% (76% / 81%) for workers in occupations with the third highest 25% of average wage.
- **Size of firm.** Access rates increased as the size of workers' firms increased: 55% of private sector workers in firms with fewer than 50 employees had access to employer-sponsored pensions, whereas 90% of workers in firms with 500 or more employees did.

Some categories of employees are not included in the NCS. These excluded categories include volunteers, unpaid workers, individuals receiving long-term disability compensation, overseas workers, the self-employed, military service members, and federal employees. Most federal employees have access to DB and DC plans.

A number of states and cities have enacted programs that require employers that do not offer employer-sponsored retirement plans to enroll employees in state-affiliated retirement programs. While the details of the programs vary, as of January 31, 2026, 12 states with state auto-Individual Retirement Account (IRA) programs had 1.2 million funded accounts, with \$2.9 billion of total assets.

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